ISSN - 0974 - 1739

NHRD Network Journal

October 2014 Volume 7 Issue 4

Organizational Fairness and HR

Visty Banaji

Sathish Pradhan

Dr Sandeep K Krishnan

Nathan SV

Sudheesh Venkatesh and
Vishnupriya Bose

Harold Andrew Patrick,
Asha Sara Mammen and
Sheela Margaret D

Ankur Jain,
Dr Vasanthi Srinivasan
and Imran Ahmed
Sayed

Bimal Rath

Smita Saha

S Deenadayalan

Smitha Murthy

Nayana Prabhu

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A Quarterly Publication by The National HRD Network

NHRD NETWORK

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NHRD Network Journal

Organizational Fairness and HR

Volume 7 Issue 4 October 2014

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Publisher, Printer, Owner and Place of Publication	**Kamal Singh**, Director General, NHRDN on behalf of National HRD Network, National HRD Network Secretariat, C 81 C, DLF Super Mart, DLF City, Phase IV, Gurgaon122 002. Tel +91 124 404 1560 e-mail: kamal.singh@nationalhrd.org
Printed at	**Nagaraj & Co. Pvt. Ltd.,** 156, Developed Plots Industrial Estate, Perungudi, Chennai 600 096. Tel : 044 - 66149291

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Dear Readers,

The National HRD Network has been bringing out a semi-academic, theme based, quarterly journal for the last few years. It aims at compiling and publishing the professional views and experiences of reputed HR professionals, line professionals, CEOs, researchers, academicians in each theme area. We carry out extensive research, identify and invite persons who have eminent publications or have rich experience in the theme area to contribute articles for each issue. Through the journal, we aim to build a body of knowledge in all facets of HR which is not otherwise easily available for the current and future HR Professionals. So far, close to 350 eminent authors have contributed articles. Each issue is guest edited by a person of eminence in the concerned theme area.

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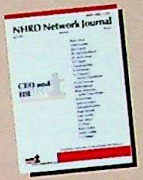
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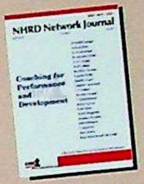
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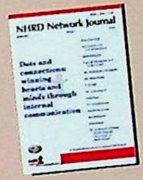
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The current issue is on the theme of "Organizational Fairness and HR".

Some of the guest editors for future issues include Dr. Sandeep Krishnan and Mr. L. Prabhakar.

This is your journal and will be as rich as you want it to be.

In order to further enrich it, we would like to receive your

1. qualitative feedback on issues brought out so far, and
2. suggestions for themes to be covered in our future issues;
3. Any other suggestions.

Kindly send in your thoughts to drpvrmurthyresearch@gmail.com

Dr. PVR Murthy
Managing Editor
(On behalf of the Editorial Team)

Change of Managing Editor

Dear Professional friends,

We started this "theme based, quarterly, semi-academic journal" eight years back and brought out thirty odd issues without interruption. The objective is to capture HR innovations, experiences and knowledge for the benefit of NHRDN members. The Journal was started under the initiative of Dr.TV Rao and Mr.P Dwarakanath.

The topics have been of current relevance to HR fraternity and in areas where limited knowledge/ books are available elsewhere for example a topic like "CEO and HR".

A number of eminent experts in the field, chairmen, planning commission members, MDs, HR professionals from all levels have contributed articles. Thanks to the efforts of each guest editor for working with a missionary zeal to make a lasting contribution to the field. All the article contributors have shared their experiences and thought provoking views. Also whole hearted thanks to Rajeev Dubey Ji and the current board for their support.

My whole hearted thanks to my editorial colleagues Dr. Arvind Ji and Dr. Pallab Bandyopadhay.

I take this opportunity to thank each one of you for your support without which it would not have run for eight successive years.

As a HR professional, I believe in continuous improvement and change. Hence it is time for change of guard. I am handing over to Dr. Pallab Bandyopadhyay, our co-editorial team member. On invitation, I will continue to be on the editorial board for some time.

In case of non-receipt or to change address or any other administrative issues please write to ***vinod.kakaran@nationalhrd.org****.*

For article related or for suggestions or feedback please write to :
bandyopadhyaypallab@yahoo.co.in

Thanks and with all best wishes

PVR

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EDITORIAL COMMENTS

Dr. PALLAB BANDYOPADHYAY
(Guest Editor for this issue)
Leadership Architect & Career Coach, HR PLUS

We all feel bad when we think we are not treated fairly. It's a universal phenomenon that we also see around in our everyday life. And yet we seem to ignore this profound reality in organizational context. During last few years I had experienced innumerable instances where HR professionals have come and shared their personal experiences on organizational injustice with me at various forums. While going down deeper, when I started interacting with senior fellow professionals I realized the problem is much more deep-rooted and the malice is much well-spread in corporate corridors of India.

So what role do we HR professionals play in eradicating this malice from organizational life? In this one aspect we cannot continue to remain philosophical as Bill Gates once said "Life is not fair. Get used to it." or reiterate what Oscar Wilde said "Life is never fair, and perhaps it is a good thing for most of us that it is not.

We have a very definitive professional role to play in such situations. And I am very happy to say that NHRDN has clearly articulated our role as HR Professionals in such situations. I am reiterating the same for benefit of our readers. In the prescribed "Code of Conduct" for HR Professionals, the point no. 4 reads as follows.

	DO'S	*DON'TS*
I will be OBJECTIVE in all my actions and decisions and foster FAIRNESS with firmness.	*I will investigate situations and get all the facts before I take any action or arrive at a conclusion.*	*I will not make brash or hasty decisions.*
	I will take decisions as quickly as possible and be firm in my actions.	*I will not hide behind someone else's decision making authority.*
	I will consistently communicate transparently to all concerned, with a personal touch.	*I will not take biased or prejudiced decisions based on gender / community / religion / minority.*

Before I get into my editorial insights on intellectually stimulating thoughts and excellent articles which have been shared by some of the finest HR professionals of the country today, I would request my readers to read it again and more importantly take a pledge to put these actions in practice every time, all the time we come across such situations where we work, advice, consult or manage. Be it small or big, be it old or new age industry, whether I am entry level or senior level it really does not matter. Because a small act from each one of us will raise our profession a notch above where we are and get the respect *which we always cherished most as HR professional. To me that will be the most purposeful outcome that this issue on "Organizational Fairness & HR" can have on our profession.*

We as HR professionals always knew about the impact of not being fair in organizational context. Many years back Adam's equity theory told us that employees evaluate their relationship with their employers, constantly. Perceptions of inequity and lack of fairness can impact their motivation, attitude, job satisfaction, and performance. Adam used a formula to show that employees compare themselves with others, including themselves in a previous situation or a future imaginary scenario. The resulted perception of fairness that is derived from this comparison may impact employees' beliefs and behaviours, influencing organizational outcome and bottom line. Employees who perceive unfairness may leave their organizations become helpless, or take counterproductive actions against their employers.

Let us travel from Adam's time....to our current realities where lots of behaviourial science research is supported by relevance of brain research. In 2008, three researchers (Tabibnia, Saptute and Liberman) did a very interesting piece of research. Let's read their findings verbatim.

"Little is known about the positive emotional impact of fairness or the process of resolving conflict between fairness and financial interests. In past research, fairness has covaried with monetary payoff, such that the mental processes underlying preference for fairness and those underlying preference for greater monetary outcome could not be distinguished. We examined self-reported happiness and neutral responses to fair and unfair offers while

controlling for monetary payoff. Compared with unfair offers of equal monetary value, fair offers led to higher happiness ratings and activation in several reward regions of the brain. Furthermore, the tendency to accept unfair proposals was associated with increased activity in right ventrolateral prefrontal cortex, a region involved in emotion regulation, and with decreased activity in the anterior insula, which has been implicated in negative affect. This work provides evidence that fairness is hedonically valued and that tolerating unfair treatment for material gain involves a pattern of activation resembling suppression of negative affect."

Before I get into the articles I would like to bring it to the notice of our readers that fairness research has progressed quite well in the last few years. Researchers and practitioners are looking at this very important organizational phenomena and HR's role now in fairly complex and diverse ways. In one of the most comprehensive research done across the world in recent times, CIPD in its November 2013 research report on organizational fairness has tried to sum up this very aptly as follows "We have to acknowledge the fluid nature of judgements about fairness. Context is everything." Going further on this they commented "Relying on skilled people to keep juggling balls is not a sustainable strategy. We need now to map the contours of fairness – to provide some structure and evidence into the debate." Taking a very broad view they have provided what they called as six different lenses through which you can look at organizational Fairness. These are

1) *Fairness as organizational justice*
2) *Fairness as the just sociably distribution of goods*

3) *Fairness as the principle of outcome*
4) *Fairness as capability*
5) *Fairness as temporal perspective*
6) *Fairness as a matter of interpretation*

In fact CIPD research have gone into subthemes by viewing at organizational research through these lenses and provided references collected from existing research areas.

So it is fair to say that the construct of organization fairness is complex and has proven its impact on innumerable facets of individual and organizational outcomes that organizational leaders across the world are trying to grapple with as their measure of success and effectiveness.

Let me begin by profoundly acknowledging (also on my team's behalf) all the contributors for providing us with the innumerable insights, concepts, hypothesis, practices and finally the dilemmas on this fascinating subject. A big thank you to all our authors. I would broadly divide four broader categories where we can put all our articles. These are described below

1) Articles based on concepts and framework

Let me begin with the 1st one. This section has two contributors. The first article contributed by Visty Banaji is an exemplary one to begin with. He has not only covered what would constitute the topography of organizational fairness but also a useful framework to understand this better. He further extended his concept to demonstrate that how the fairness is core to business and covers all the stakeholders in organization namely, shareholders, suppliers, customers and employers by providing his original framework. It will be a very useful read for both *practicing managers as well as HR students who would want to understand the concept from a more holistic perspective. Next article is from Satish Pradhan. Satish, has raised some fundamental questions on what he described as "Felt Fairness". While arguing for "Felt fairness" as a must for maintaining good organizational health, he also talked about three important facets of this aspect that employees experience commonly in organization. These three facets that he elaborates in his article are*

1) *A shared sense of justice and fairness is an integral part of social design*

2) *Justice is seen as a greater good.*

3) *Reward and punishment are two sides of the same coin*

2) Articles based on concepts and practice synthesized together

The second section has three articles. The first article under this theme is contributed by Dr Sandeep Krishnan. In his article Sandeep focused on organizatioanal citizenship behaviour. He argued that how important it is to bring in fairness and justice in order to help employees manifest these discretionary behaviours in organizations. He further argues that Indian organizations are recognizing the importance of discretionary behaviours and how they get influenced by employees through their perceptions of justice to a great extent.

The second article is contributed by SV Nathan. Starting with building the relationship between fairness and justice he builds his logic through results obtained from a survey asking employees what constitutes fairness in *the organization. The top three things that came out of this survey are - Ethical, Just and Conducive Work Environment. When respondents were asked about what dimensions will have maximum impact to make their organization fair. Answers were not surprising. It featured, performance appraisal, promotions and reward and recognition. Continuing further in this aspect he has shared best practices across the industry by following which organizations can improve their fairness perception on all these three aspects. These examples are live and will be of great benefit for HR practitioners and line mangers who have been pursuing the journey of strengthening the employee perceptions of fairness in their organizations. Finally as he argues, that achieving organizational fairness perception is a journey, he provides no. of measures that if adopted at various employee life-cycle stages can help achieve great results.*

Sudheesh and Vishnupriya in their article begin with tracing the history of fairness in the society from a historical perspective. They bring in very useful perspective from ancient Indian scriptures like Arthasashtra from works of Kautilya to its interpretations from Amartya Sen very lucidly. They also cite works of John Rawles and Will Kymlicka to build in their explanation of organizational fairness. They then proceed to discuss in detail the conflict one faces when the concept of fairness is extended to organizational context. Some of the pertinent questions they raise are as follows

Does fairness mean equal opportunity?
Are assessments fair?
Is everyone equal before the law?
Is fairness ensured by sticking to the rule book?

They end their contribution by talking very openly about how they are trying to resolve some of these conflicting issues at their own organization Azim Premji Foundation.

3) *Articles based on original research*

This section has two very good contributions from two research teams. The first one is from Prof (s) Harold, Asha and Sheela and focuses in the area of higher education. In their research they investigate the perception held by faculty members towards the dimensions of organisational justice and its relationship with outcomes such as turnover intention and organisational commitment.

They use two randomly selected samples in the context of higher educational private institutions from Bangalore and Kerala. Their results found that faculty member's perception of organisational justice was moderate in both the cases. They found a significant positive relationship between organisational justice dimensions with organisational commitment. Their study also found that interactional justice had higher influence on organisational commitment in first study. Interestingly results in the second study indicated a significant and negative relationship between organisational justice dimensions with turnover intentions and distributive justice predicted more variation in faculty members' turnover intentions than other justice dimensions. The implications, findings and suggestions for future research detailed in these studies will be very useful for our readers, especially those who are interested in the domain of higher education.

Downsizing is no more a new phenomenon in Indian Industry. From manufacturing to high tech we have witnessed them all in recent times. One of the most difficult tests for HR professionals during these tiring times have *been to maintain a perception of organizational fairness while executing the same. Ankur, Prof Vasanthi and Imran have done a wonderful job by not only depicting no. of real cases to bring in very pertinent professional issues related to organizational justice during downsizing but also discussed a very useful framework that can be applied to ease the pain very significantly during this process. They depicted three real cases to analyse in detail the impact of what they call as a) The ad-hoc approach, b) The methodical approach and c) The humane approach. I would say their framework will definitely be a useful resource to our reader practitioners especially when they are in the process of searching ideal alternative(s) while implementing downsizing in their own organizations due to business compulsions.*

4) Articles based on managerial perspective and experiences

The final section has five contributions. As the theme indicates these have been contributed mainly from experiential perspective of practitioners and offers useful insights to our readers. The first one is from Bimal Rath and deals with various issues that he has encountered as a practitioner. He begins with discussing fairness with equality and then with justice. He brings in an important aspect of individual decision making and how does it impact organizational fairness. Finally he deliberates on cultural aspects of organization and its impact on fairness. He also suggests in a very pragmatic way, not to undermine the issue of self-interest and how organizations can adopt suitable process/procedures coupled with a set of values to make a balanced approach in dealing with organizational fairness.

Smita Saha starts with narrating her personal experience on how an employee decided to leave her organization when she felt she was unfairly treated by her organization. She talks of fairness as one of the essential ingredients for making organizations as a great place to work. She then engages in describing in great detail into some very interesting questions like, Who is responsible for fairness in the organization? How does organizational fairness translate? How does equality or fairness reflect in the performance evaluation process? Will rewards and recognition ever be viewed as fair? A thorough look at these questions will help our readers to get some useful insights. Finally she ends her article by looking at the role of communication in this whole process which does throw light to a very important dimension for HR professionals who will be handling organizational justice issues in almost every aspect of employee life cycle.

Deen starts his article by characteristically asking some questions to ourselves as HR professionals and then moves to cite number of real – life cases to assure how employees in different organizations brought in fairness in spite of facing what he refers as "Communal, Cultural and Hierarchical Bias". He put forward a model by combining the process of fairness with inclusive treatment. He argues that by looking at fairness perspective from a radically different perspective it is possible to bring in fairness even in today's challenging VUCA business environment. Deen's view is radical but I am sure, our readers will find interesting and implementable ideas from his thought provoking insights.

Smita Murthy brings in the concept of "Dharma" from the context of Mahabharata while looking at organizational *fairness principles. She talks at length and brings in examples of conflicting situations she has to face while discharging with her own roles and responsibilities as an HR professional in her organizational context. Our readers might get some interesting insights by comparing their own dilemmas from this article. She feels if we are able to understand the principle of "Dharma" it will be easier for us as HR professionals to resolve some of our own conflicts while discharging our duties in organizational context especially when we have to strengthen the organizational fairness perception among employees.*

The last article under this theme comes from Nayana Prabhu. She asks some very pertinent questions primarily based on her personal experiences as HR professional in some real-life context. What she brings out in her article is about the dilemmas that we face while balancing between implementing organizational policies while protecting the individual's interest in order to safeguard the principles of organizational fairness. These real life examples, I am sure will raise lot of questions in the mind of our readers. To that extent Nayana's contribution does add value for our readers. While concluding she has also given suggestions as to how organizations can build different functions like talent acquisition, on–boarding, people management, decision making so as to make sure organizational fairness is build and sustained as an essential component of a strong organization culture.

Happy reading!!!!!

Do give your feedback and suggestions to improve the quality and content of this journal.

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Code of Conduct for NHRDN Members;

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The Changing Contours of Fairness: Can we match individual and organisational perspectives?

Research Report, November 2013, CIPD

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FAIRNESS IS FUNDAMENTAL

VISTY BANAJI

About the Author

Visty Banaji Visty Banaji is founder and CEO of Banner Global Consulting (BGC), a boutique strategic HR consulting firm that has provided consultancy services to top-ranking corporates. Till 2010 Visty was Executive Director & President (Group Corporate Affairs) on the Board of Godrej Industries Limited. Prior to that he worked in France & India for ALSTOM. Visty started his career in 1973 as a Tata Administrative Service Officer with the Tata Group where he became Corporate HR Head for Telco (now Tata Motors).

Visty is a recipient of the National HRD Network's (NHRDN) Pathfinders Award 2006 for Seasoned HR Professionals.

About ten years ago, researchers in the US ran a controlled experiment on capuchin monkeys to see if they demonstrated a sense of fairness. Each monkey was paired with a group mate and the experimenters watched the monkeys' reactions when their partners got a better reward for doing the same amount of work. Compared to their reactions when both received the same reward, subjects were much less likely to be willing to complete the work or accept the reward, when their partner got the better deal. The experimenters noted that the subjects opted to get nothing rather than participate in an unfair situation. They concluded that capuchins hold emotionally charged expectations about reward distribution that lead them to dislike inequity.

About ten years ago a leading manufacturer in India started engaging large number of contract workers for working on their production lines. They worked side-by-side with permanent employees who got paid three to four times as much but generally put in much less effort than the contract workers. The senior managers of the company were, of course, paid many times more than even the permanent workers. A few years down the road the contract employees turned violent, assaulted managers and destroyed company property. The board of the company, when they met to consider the traumatic events the company had faced, wondered why contract employees were so dissatisfied with their much lower paid and totally insecure jobs when the choice for them was to be unemployed and get no wages at all.

The impulse to fairness has evolved as one of the bedrocks of all group interactions. When we ignore or controvert it, we remove a fundamental prop of productive collective activity and non-violent social intercourse.

What Organizational Fairness Covers

We all know fairness consists in giving people their due equitably, without favouritism or discrimination. But who and what does this concept cover in the organizational context? To develop the topography of organizational fairness we need to decide not only the depth to which we wish to drive this value but the extent to which we should go beyond individuals to plural categories considered jointly. Dividing both these dimensions in a binary fashion yields four progressively deeper and broader views of organizational fairness (see also Figure 1):

1. Minimum Fairness for Individuals

   This governs the fundamental expectation people have, to be treated with respect and dignity (which is sometimes labelled as interpersonal justice). In the employee context (we will see a little later why organizational justice is primarily focused on employees), this also includes non-discrimination and the provision of equal opportunities. The fundamental freedom to speak and have a voice in the processes that affect them are also included here as is the fairness of the processes by which outcomes are obtained (procedural justice).

2. Minimum Fairness for Groups

   When we turn to aggregates, it is important that the rights of collectives with weaker voices (e.g. contract workers) are not overlooked in favour of the groups that call the shots (e.g. top management). Processes that yield inter-group differences which cannot be objectively justified as serving a greater organizational purpose are thus questioned. The principles of interpersonal and procedural justice are here examined through a collective wide-angle lens.

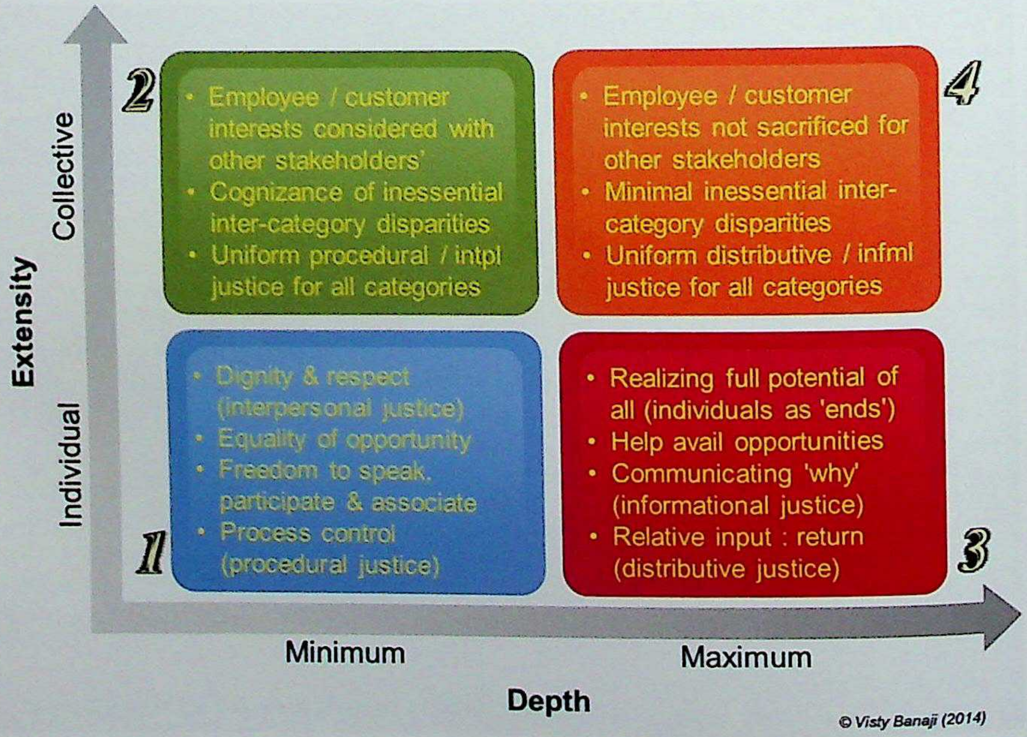
Extensity
Collective
Individual
2
• Employee / customer interests considered with other stakeholders'
• Cognizance of inessential inter-category disparities
• Uniform procedural / intpl justice for all categories
4
• Employee / customer interests not sacrificed for other stakeholders
• Minimal inessential inter-category disparities
• Uniform distributive / infml justice for all categories
1
• Dignity & respect (interpersonal justice)
• Equality of opportunity
• Freedom to speak, participate & associate
• Process control (procedural justice)
3
• Realizing full potential of all (individuals as 'ends')
• Help avail opportunities
• Communicating 'why' (informational justice)
• Relative input : return (distributive justice)
Minimum
Maximum
Depth

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Figure 1: Topography of Organizational Fairness

3. Deeper Fairness for Individuals

   Moving to a deeper level of fairness involves viewing each individual as valuable in himself or herself and not simply as a means of gaining organizational results. Consequently, it is not enough simply to give equal opportunities but to act affirmatively so that people can make use of them. Similarly, fair processes need to be augmented with communication explaining their working (informational justice). Finally, we need to deal with the substantive issues of relative efforts, outcomes and payoffs (distributive justice).

4. Deeper Fairness for Groups

   The deeper demands for aggregate fairness make it obligatory to attend to the needs of weaker collectives. There is also an expectation to minimize inter-group differences that cannot be objectively justified in the organization's interest. It is now the turn of informational and distributive justice to be collectively evaluated.

Developing Organizational Fairness Norms

Given the diversity of agents and domains that we need to cover under organizational fairness, it would be useful to have a simple way to develop organizational fairness norms. Since organizational fairness often revolves around deciding between contesting claims (with the organization usually being one of the contestants), it is useful to evolve norms (or decide between claims) while divesting oneself of any particular role or viewpoint.

I do not claim any originality in using this as a basis for evolving fair norms. Moral philosophers have used similar devices for centuries, the most robust being possibly the "veil of ignorance" formulation given by John Rawls in 'A Theory of Justice', an extract from which is given here:

"The idea of the original position is to set up a fair procedure so that any principles agreed to will be just. .... Now in order to do this I assume that the parties are situated behind a veil of ignorance. They do not know how the various alternatives will

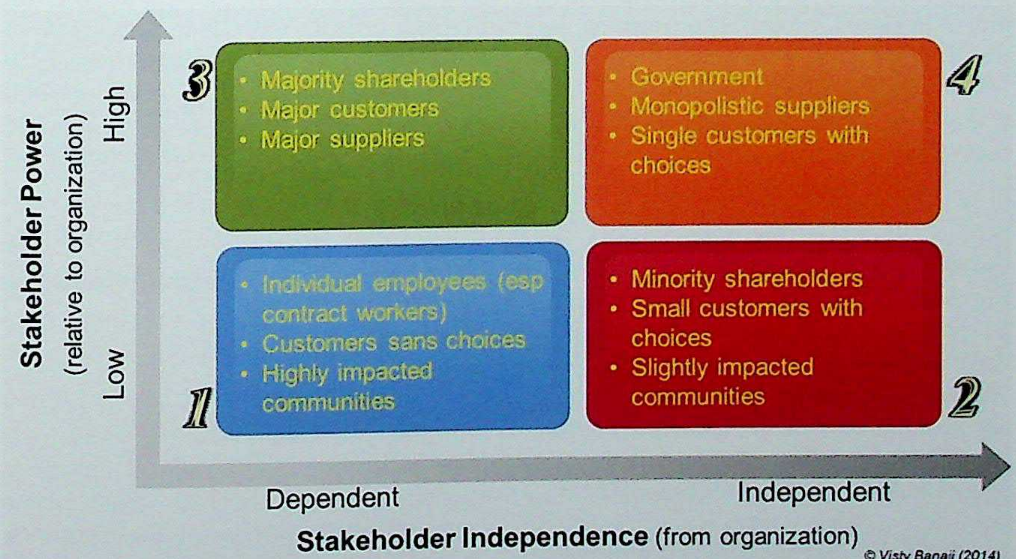
Stakeholder Power
(relative to organization)
High
Low
3
• Majority shareholders
• Major customers
• Major suppliers
4
• Government
• Monopolistic suppliers
• Single customers with choices
1
• Individual employees (esp contract workers)
• Customers sans choices
• Highly impacted communities
2
• Minority shareholders
• Small customers with choices
• Slightly impacted communities
Dependent
Independent
Stakeholder Independence (from organization)

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Figure 2 : Focus areas for Organizational Fairness

affect their own particular case and they are obliged to evaluate principles solely on the basis of general considerations."

A similar mechanism is at play in deciding between competing resource claims when a 'Divide and Choose' principle is adopted. For instance, when two children are fighting to have larger share of a cake, one of them is asked to divide it and the other given the first pick.

These devices have proved to be of immense use in devising the Organizational Fairness norms described below.

A Code that Focuses on the Weakest Links

A Fair Organization is one which deals transparently, non-exploitatively and justly over the long term with all individuals, bodies, stakeholders and communities with which it interacts and gives to each of them their due. Organizational fairness must obviously, therefore, extend to all stakeholders. It is equally clear, however, that some stakeholders are well able to take care of their own interests (e.g. the Government) without the need for any additional props. Even among less powerful players, there are some who are not so dependent on a single organization (e.g. minority shareholders) and can opt out with relatively low transaction costs.

It is at the intersect of relatively lower power and greater dependence (see Figure 2) that an independent source of fairness support is needed. These vulnerable players (e.g. individual employees) not only usually lack the means for legal redress but they and those who would like to come to their aid have no generally accepted and documented code that proscribes the unfairness to which they may be exposed. Guardians of corporate governance, be they independent directors, auditors or HR leaders within the firm, when faced with unfair situations, need a set of guidelines on which they can ground their objections to unfair situations or practices. It is to meet this requirement that a code of fair practices for business organizations has been designed. While it instructs organizations' dealings with the authorities and regulators as well as with customers, shareholders, and business partners, the focus is on employees and other people who are subject to the greatest power asymmetry and dependence relative to the organization.

While the 'Fair Organization Code' initially evolved through the deliberations of CII's National HR Committee, it has since been circulated to several interested CEOs and CHROs. It has gained greatly from their feedback and is now fit to reach a larger public.

The Fair Organization Code

The Fair Organization Code currently consists of eight elements. These are listed below and depicted graphically in Figure 3.

1. Ethical and Sustainable Business Practices
2. Living & Leading the Laws
3. Honouring Commitments
4. Diversity & Inclusiveness
5. People-valuing Policies, Practices & Treatment
6. Equitable Sharing
7. Dealing with Deviation, Deficiency & Dissent
8. Review & Progress

While it is not usual to provide degrees of attainment in what is essentially an ethical standard, such a graduation has been recommended in the Fair Organization Code for two reasons. In the first place, there is the need for setting the initial threshold at a reasonable level so that organizations that are still below it are

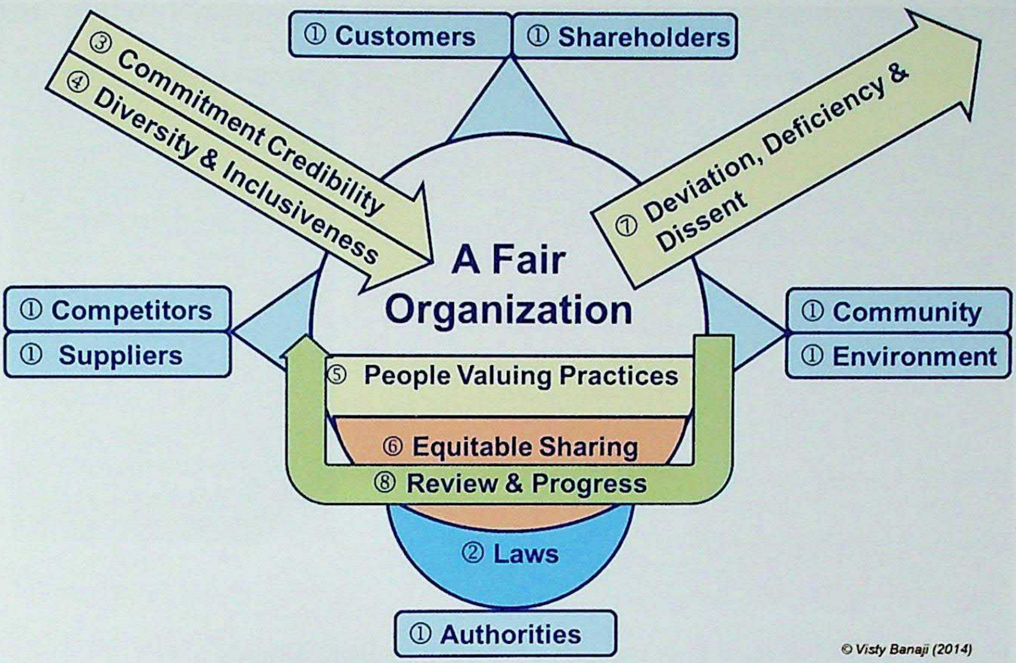
① Customers
① Shareholders
③ Commitment Credibility
④ Diversity & Inclusiveness
⑦ Deviation, Deficiency & Dissent
A Fair Organization
① Competitors
① Suppliers
① Community
① Environment
⑤ People Valuing Practices
⑥ Equitable Sharing
⑧ Review & Progress
② Laws
① Authorities

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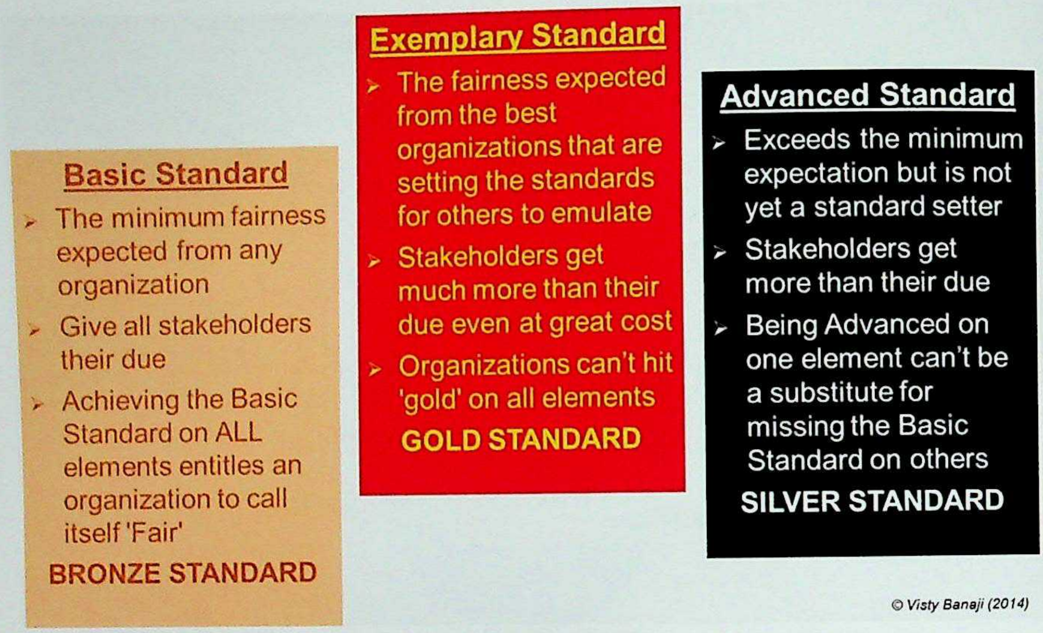
Figure 3 : Elements of a Fair Organization Code

not scared away by the enormity of the practical challenge to becoming fair. On the other hand, there needs to be an incentive and additional recognition for organizations that have already reached the basic standard to continue improving their fairness practices as they seek to become exemplars of fairness.

Accordingly the following standards of fairness are proposed in the Code (see also Figure 4):

- **Basic Standard of Fairness:**
  - o This is the minimum expectation from any organization.
  - o For all practical purposes, an organization achieving this standard on ALL elements can count itself as 'fair'.
- **Advanced Standard of Fairness:**
  - o Here the organization clearly exceeds the basic threshold but is not yet a standard setter.
  - o Achieving the Advanced Standard on some elements is not a permissible compensation / substitute for missing the Basic Standard on others.
- **Exemplary Standard of Fairness:**
  - o This is the 'gold' standard which is expected from organizations that are setting benchmarks of fairness for others to emulate.
  - o All organizations are not expected to achieve this level. Even the ones that reach the Exemplary Standard may consciously choose to do so only on certain elements because others may be difficult to reconcile with the philosophy and strategy of that particular organization.

For each of the above standards of fairness an element-wise checklist has been prepared. The latest draft is provided as an annexure to this article.



Basic Standard

- The minimum fairness expected from any organization
- Give all stakeholders their due
- Achieving the Basic Standard on ALL elements entitles an organization to call itself 'Fair'

BRONZE STANDARD

Exemplary Standard

- The fairness expected from the best organizations that are setting the standards for others to emulate
- Stakeholders get much more than their due even at great cost
- Organizations can't hit 'gold' on all elements

GOLD STANDARD

Advanced Standard

- Exceeds the minimum expectation but is not yet a standard setter
- Stakeholders get more than their due
- Being Advanced on one element can't be a substitute for missing the Basic Standard on others

SILVER STANDARD

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Figure 4: Standards of Organizational Fairness

Making it Happen

The process of disseminating and institutionalizing the Fair Organization Code could go through the following steps:

- Co-creating and Publicizing the Fair Organization Code:
  - o The Code needs to continue being debated and refined (without sacrificing its core principles) by discussing it with:
    - ▪ Business leaders whose organizations already exemplify very high standards of fairness,
    - ▪ Academicians who have made a deep study of fairness, business ethics or corporate governance,
    - ▪ Heads of statutory agencies involved with areas like governance, environment and competition as well as senior bureaucrats from ministries such as Company Law and Labour and
    - ▪ Responsible representatives of other stakeholders, e.g. union leaders, consumer rights activists and community workers.
  - o The Code can be widely disseminated to business organizations through one or more industry federations or professional bodies (like NHRDN).
  - o The general public and prospective employees should be familiarized with the Code and its implications for them through the media, the internet and public pronouncements by the leaders of industry federations or professional bodies.
- Pilot Implementations:
  - o Select organizations, which are likely to meet at least the Basic Standards of Fairness, can volunteer for carrying out self-examination and self-certification of their standing on various elements of the Code.

  - Fairness Facilitators can be trained and appointed by industry federations or professional bodies to assist the early adopters in carrying out the examination and certification. Alternatively, this role can be assumed internally by the Ethics Officers that many progressive organizations already have in place.
  - The early adopters would have the benefit of publicity for their level of achievement on the Fair Organization Code with consequential advantages in the war for talent and in their public reputations.

- Widespread Adoption:
  - Once the early adopters get public recognition for their level of achievement on the Fair Organization Code, there should be considerable interest from the next wave of organizations i.e. those which are close to but have yet to reach the Basic Standards of Fairness. For such organizations, Fairness Facilitators would have to play the additional role of suggesting ways and means by which conformity to the Code can be improved.
  - At this stage, organizations demonstrating the Basic Standards of Fairness (which participated in the pilots), should be encouraged to move to the Advanced or Exemplary Standards of Fairness. Here again, the Fairness Facilitators can lend a helping hand.
  - As changes in the Standards of Fairness made by various organizations become clear to their employees and the public at large, these organizations will gain employer brand-attractiveness and reputational dividends.
  - As the number of interested organizations grow, it may be advisable to move from a process of evaluation through self-certification and declaration where one relies on employees and other stakeholders to point out if the actual practice doesn't conform to the claim. We could adopt a formal and periodic fairness auditing process which could also be a precursor to awards and public recognition for the organizations reaching Exemplary Standards of Fairness.
  - Organizations could be permitted to use a Fair Organization Code logo and the Standards of Fairness they have achieved on their recruitment advertisements and corporate communication campaigns.
  - By this time, other organizations, which are more distant from the Basic Standards of Fairness, will find it difficult to keep away from initiating a process of fairness improvement if they are to compete for talent and image. While all organizations may not adopt the Code as long as it is voluntary, a large proportion should find it in their interest to do so.
  - At this stage we should apply our minds whether we wish to move beyond the voluntary nature of the exercise by making it mandatory for organizations to reach the Basic Standards of Fairness if they are to continue their membership of industry federations or chambers of commerce.

Over a period of time we can create a rational basis for distinguishing between organizations depending on the degree of fairness they are willing to affirm publicly and demonstrate internally. This will be a significant improvement over the manner in which we rely presently on CEO claims or 'planted' stories in the media to judge organizations on this parameter.

In Conclusion

The journey towards making organizations more fair will be neither easy nor brief. We should also not hold out some magical lure of improved corporate profits or similar business benefit as the prime reasons for organizations to embark on it. In terms of tangible benefits, as organizations become progressively fairer, they can expect reputational gains as well as higher commitment and organizational citizenship behaviour from employees. One might also ask whether such incentives are needed for individuals to practice true leader *dharma*, which cannot exist without an unswerving commitment to organizational fairness.

It is indeed commendable that Indian businesses are aspiring to reach and beat global standards of productivity, cost-effectiveness and innovation. These achievements will, however, have foundations of sand, liable to sudden collapse, if Indian organizations don't also have internationally comparable standards of fairness. The journey to fairness is a long one but it is also essential for sustainable progress. For both these reasons it is critical to make a start rightaway.

Annexure

Checklist for a Fair Organization Code

1. Ethical and Sustainable Business Practices

Critical Fairness Factors		
Basic Standard of Fairness	Advanced Standard of Fairness	Exemplary Standard of Fairness
• Customers are given true value-for-money. There is no gap between what is promised and what is delivered. Standards of quality do not vary across geographies in which the organization operates.	• Product or service features are explained in the promise in a clear and visible way. Complaints are seen from the customers' viewpoint. Prices are restrained & have a two-way linkage with costs.	• A customer-centric culture makes customer complaints virtually non-existent & customer delight a reality. Productivity & cost-saving gains are shared with customers even without competitive compulsions.
• Minority & non-promoter shareholder rights are protected & they are given all information they might require / seek including that pertaining to use of assets / facilities as well as decision-making exercised by majority / promoter shareholders & their proximates as well as dealings with businesses in which they have interests.	• Directors of the Board (& Independent Directors in particular) ensure high governance standards by actively scrutinizing decisions from non-controlling shareholder viewpoints & ensure prompt redress where these interests may have been affected. Information that has a bearing on governance is freely & transparently shared with the concerned authorities.	• Majority / promoter shareholders have internalized the highest standards of corporate governance. They take decisions in favour of the corporation as well as the minority & non-promoter shareholders even at the cost of their own interests & those of their overseas owners/families & dynastic successors.
• There is full disclosure to investors of the challenges & the environment faced by the company & its implications for the company.	• Bad news is shared early with investors even if the impact on the company may not be felt in the short term.	• The company gives guidance to investors about all forms of risks entailed in the business plan of the company.

Critical Fairness Factors

Basic Standard of Fairness	Advanced Standard of Fairness	Exemplary Standard of Fairness
• Suppliers & service providers are treated equitably & given a reasonable return. Vendors are never made to funnel payments back to the organization or to individuals working in it or to those the organization would like to favour.	• Suppliers & service providers are assisted to develop & come up to the required standards of quality & productivity. They are treated as partners in prosperity.	• Suppliers & service providers are involved in developing new products and services. Special efforts are made to develop vendors from depressed sections of society or those particularly affected by the organization's activities or those proximate to its operations.
• Suppliers & service providers who have relationship with majority / promoter shareholders are given no special treatment compared to other suppliers / service providers.	• Suppliers & service providers who have relationship with majority/promoter shareholders have to undergo special scrutiny compared to other suppliers / service providers.	• Suppliers & service providers who have relationship with majority/ promoter shareholders are normally avoided. If this is impossible, dealings with them are transparently declared in the annual report.
• Competition is fierce (i.e. there is no cartelization or collusion) but above-board. Underhand means are never used for getting business.	• Competitors are not publicly denigrated, weakened through derogatory advertising, poaching, lawsuits or other indirect means.	• Information that is of use to customers is shared freely in the public domain even if competitors may improve as a result of it.
• There is a single standard of conduct regardless of the country in which the organization operates.	• There is an effort to flex global policies to adjust to local sensitivities (without sacrificing basic values, equity & fairness).	• Global policies are based on a creative amalgam of the norms of the cultures in which the organization operates without ever compromising the values of the company.
• There is no adverse impact on the local communities where the organization operates. Any such impact is compensated.	• There is investment in providing facilities & aid to local communities where the organization operates.	• Local communities where the organization operates are helped to become self-sustaining in development.

Critical Fairness Factors		
Basic Standard of Fairness	Advanced Standard of Fairness	Exemplary Standard of Fairness
• There is consciousness of the impact the operations & products of the organization (as well as its upstream & downstream partners) have on the physical environment & every effort is made to minimize the adverse impact.	• There is a plan to reduce & (ultimately) eliminate the impact the organization's operations & products (as well as those of its upstream & downstream partners) have on the physical environment. The impact the organization has on the social / educational environment is also tracked & efforts are made to reduce adverse effects.	• There is substantial & sustained investment for 'greening' the physical environment both around the products & operations of the organization as well as globally. Equal attention is paid to contributing to the social / educational environment
• The organization does not knowingly practice or support, directly or indirectly, any corrupt or criminal activity. There is a clear & publicized code of conduct that prohibits all such acts. Bribes are never paid for gaining favours from authorities.	• Transparency is the watchword for rooting out malpractices. The organization has tested & functioning checks, mechanisms, structures & policies (e.g. Internal Audit, whistleblower policy etc.) to detect & severely penalize corrupt/ criminal activity.	• The organization's culture detests corrupt or criminal activity. Business is allowed to suffer rather than use these. When discovered, the highest levels own responsibility for such failures & impose penal consequences on themselves.

2. Living & Leading the Laws

Critical Fairness Factors		
Basic Standard of Fairness	Advanced Standard of Fairness	Exemplary Standard of Fairness
• There is full compliance with the letter & spirit of all laws applicable to the enterprise & labour laws in particular.	• The organization ensures the relevant benefits & protections specified under labour laws reach employees engaged by contractors, vendors, distributors etc.	• The benefit of labour laws is extended, where appropriate (& where alternatives have not been provided), to employees not stipulated to be covered under them.

Critical Fairness Factors		
Basic Standard of Fairness	Advanced Standard of Fairness	Exemplary Standard of Fairness
• Even when laws are unreasonable or impractical they are not simply circumvented nor are the administering authorities 'managed'.	• Transparent (non-corrupt) efforts are made to change laws that are unreasonable or impractical. The focus of the change is to benefit the country or the industry – not just the enterprise.	• The organization pioneers measures which are in advance of legislation & provides the lead & model for framing progressive laws (particularly labour laws) & reforming existing ones.
• No forced, underage or otherwise non-permissible labour is directly engaged by the organization.	• No forced, underage or otherwise non-permissible labour is indirectly engaged by the organization (e.g. through contractors, vendors, distributors etc.)	• The organization plays a proactive role in systemically curing the deprivations that force underage & other non-permissible labour to seek employment.
• Duties as the Principal Employer are discharged in letter & spirit. Contract workers get a 'Flexibility Premium' over & above the statutory minimum.	• Contract workers are paid at least on par with permanent employees doing similarly evaluated work.	• Contract workers get additional social security/ unemployment benefits. There is some provisioning for their future development & permanency.

3. Honouring Commitments

Critical Fairness Factors		
Basic Standard of Fairness	Advanced Standard of Fairness	Exemplary Standard of Fairness
• Contracts & agreements are even-handed. They do not exploit the weakness of the other party.	• Contracts & agreements are agreed in good faith with every intention of carrying them out. Even verbal agreements & those made by any responsible officer are honoured.	• The organization's reputation for even dealing makes contracts inessential. Where contracts are mandatory, they are filed away & forgotten.

Critical Fairness Factors		
Basic Standard of Fairness	**Advanced Standard of Fairness**	**Exemplary Standard of Fairness**
• Where the other party or individual is ignorant of his / her rights or asset value, special efforts are made by the organization to educate them before entering into a contract.	• The terms of a deal are such as can stand public or judicial scrutiny without having to hide behind the skirt of a 'malleable' authority.	• Where the agreement relates to an appreciating long-term asset, the organization finds innovative means of sharing future returns with the original owners.
• Contracts & commitments are honoured even if changed circumstances make it difficult or financially disadvantageous & the other party is too weak to apply pressure or afford legal recourse.	• Commitments are not limited to written agreements or rule books – verbal commitments are equally sacrosanct. The organization always does the 'fair thing' even if is not stipulated in the contract or commitment.	• Even where there are no specific commitments, usage & custom are deemed to have created them. Where there is a dispute or doubt, the organization resolves it in favour of the weaker party or individual.
• Facilities & benefits given to employees are never withdrawn other than in situations of extreme organizational duress & with full & transparent explanations being given to the employees concerned.	• Employee facilities & benefits that are withdrawn under exceptional circumstances are substituted by equally attractive alternatives simultaneously or reinstated at the earliest feasible opportunity.	• Employee facilities & benefits that have to be withdrawn start from the top. Sacrifices are shared in proportion to job levels with higher levels assuming a greater burden.
• Where commitments & benefits are quantifiable, the absolute value is generally protected.	• Where commitments & benefits are quantifiable, the basis of derivation is protected.	• Where commitments & benefits are quantifiable, the basis of derivation is protected for all people in the system till the time benefit existed, even if they did not enjoy it at the time it was withdrawn.

Critical Fairness Factors		
Basic Standard of Fairness	Advanced Standard of Fairness	Exemplary Standard of Fairness
• The Employee Value Proposition (EVP) presented to new recruits depicts the actually prevailing situation in the organization. There is no half-truth or deception.	• The organization tracks delivery against the EVP (both collectively & through individual recruits) & quickly remedies gaps identified.	• The vast majority of recruits confirm that their post-joining experience has far exceeded the expectations with which they joined the organization.

4. Diversity & Inclusiveness

Critical Fairness Factors		
Basic Standard of Fairness	Advanced Standard of Fairness	Exemplary Standard of Fairness
• There is a stated, publicized & practised non-discrimination policy with regard to caste, gender, religion, state, appearance, age, AIDS & any other discriminatory divide identified as a priority target.	• There is a stated, publicized & practised affirmative action policy with regard to caste, gender, physical disability & any other discriminatory divide identified as a priority target.	• The organization plays an active role in proselytizing against prejudice in society in general & business in particular. It works with authorities & NGOs to propagate affirmative action (with regard to caste, gender, physical disability & any other discriminatory divide identified as a priority target).
• Top & HR leadership has zero-tolerance for discrimination with regard to caste, gender, religion, state, appearance, age, AIDS & any other discriminatory divide identified as a priority target.	• Top & HR leadership preaches & demonstrates commitment to affirmative action with regard to caste, gender, physical disability & any other discriminatory divide identified as a priority target.	• Top & HR leadership takes strategic decisions that make affirmative action (with regard to caste, gender, physical disability & any other discriminatory divide identified as a priority target) virtually inevitable in future.

Critical Fairness Factors		
Basic Standard of Fairness	Advanced Standard of Fairness	Exemplary Standard of Fairness
• Policies, processes & metrics are used to ensure & track progress towards non-discrimination with regard to caste, gender, religion, state, appearance, age, AIDS & any other discriminatory divide identified as a priority target.	• Policies, processes & metrics are used to ensure & track progress towards affirmative action with regard to caste, gender, physical disability & any other discriminatory divide identified as a priority target.	• Policies, processes & metrics are used to ensure & track progress towards affirmative action (with regard to caste, gender, physical disability & any other discriminatory divide identified as a priority target) at senior levels in the organization. Unconscious biases are also tackled.

5. People-valuing Policies, Practices & Treatment

Critical Fairness Factors		
Basic Standard of Fairness	Advanced Standard of Fairness	Exemplary Standard of Fairness
• People at all levels in the organization are treated with dignity & their self-respect is never jeopardized.	• The organization treats its people as resources with almost limitless potential for growth. It is committed to developing its people & giving them preference for any opportunities that arise.	• People at all levels in the organization are considered to be ends in themselves. Helping employees attain their potential is considered to be as important as meeting the expectations of shareholders & customers.
• Key people decisions are governed by declared policies / process & not on an ad-hoc basis. People policies are applied equitably to all without distinction based on nationality, ethnicity, relationship or proximity.	• Level-wise distinctions (that cannot be objectively justified in the organization's interest) are based on functional needs only & not considerations of status.	• Employees feel they 'own' the organization, its people policies & its information because of the way they are trusted, consulted & treated relative to the highest levels.

Critical Fairness Factors		
Basic Standard of Fairness	**Advanced Standard of Fairness**	**Exemplary Standard of Fairness**
• The principles on which merit-based differentiation (for both performance & potential) can take place are known & practiced.	• Supervisors are trained & monitored for the fairness of comparative decisions. People are not forced out to satisfy a sacred 'bell'.	• Priority is given to 'intrinsic' rewards. Team cooperation & mutual help is recognized & handsomely rewarded.
• The top management (including representatives of the majority / promoter shareholders) exercises power benevolently & not to the detriment of employee interests.	• There are effective checks & balances (e.g. genuinely independent non-executive directors, audits, reviewing authorities etc.) to the power of top management (including representatives of the majority / promoter shareholders).	• There is genuine corporate democracy & employees have some means of participating in or, at least, influencing the decisions taken by top management (including representatives of the majority / promoter shareholders).
• People working for the organization have the liberty to interact & mix freely with other individuals in it.	• There are no efforts to direct people into interaction with more 'suitable' company & isolate others.	• Diverse groups are inspired to contribute to the overarching goals of the organization while retaining their own identities.
• No impediment is placed in the formation of unions & the freedom of choice of employees in electing leaders of their choice. Collective bargaining with unions is accepted & carried out in good faith. There is no effort to buy out the leadership of unions or to set up puppet unions.	• Employees are not exploited or mistreated when there are no unions (e.g. prior to union formation).	• Benefits (or estimated benefits) of collective bargaining & union protection are extended to people who are not under its umbrella (e.g. contract / temporary workers, junior supervisors, managers etc.).
• Employee data privacy is strictly respected.	• Each employee has access to all data the organization has about him / her & is informed how to access it.	• Employees are trusted & very little information in the organization is kept confidential from them.

Critical Fairness Factors		
Basic Standard of Fairness	Advanced Standard of Fairness	Exemplary Standard of Fairness
• Demands placed on employees do not jeopardize their health or family relations.	• Employees are provided guidance & facilities for their & their families' health & recreation.	• Employees are guided & subsidized in providing for the future of their families (e.g. children's education, housing etc.).
• Employee safety is a paramount concern for the organization.	• Safety of employees engaged indirectly (e.g. contractors, suppliers etc.) is treated as seriously as that for senior employees.	• Safety of the larger community is treated as seriously as that for senior employees.

6. Equitable Sharing

Critical Fairness Factors		
Basic Standard of Fairness	Advanced Standard of Fairness	Exemplary Standard of Fairness
• There is a meaningful & defendable distribution of compensation, pay-offs, benefits & status-symbols across levels, functions and employee cadres within the organization. Employee rewards, particularly for the senior management, are related to the long-term performance of the organization & the returns enjoyed by it & its shareholders.	• There is a formal & publicly declared 'Pay Multiple' norm (ratio of highest to lowest individual CTC) for employees. The norm is benchmarked to the norms operating in the more egalitarian societies globally & adjusted for the levels below which work is outsourced. Employee separation benefits, particularly for the senior management, do not create a 'moral hazard'.	• There is a formal & publicly declared 'Pay Multiple' norm (ratio of highest to lowest individual CTC) extending to employees engaged indirectly (e.g. by contractors, suppliers etc). The norm is benchmarked to the norms operating in more egalitarian societies globally. Employees at all levels are encouraged & assisted to obtain ownership stakes in the organization.

Critical Fairness Factors		
Basic Standard of Fairness	**Advanced Standard of Fairness**	**Exemplary Standard of Fairness**
• The drive for profits doesn't prevent the organization from providing adequate returns to its other stakeholders (including customers, suppliers & the extended communities in which company operates).	• The organization makes a material positive impact to the prosperity of its other stakeholders (including customers, suppliers & the extended communities as well as the larger society in which it operates).	• The organization makes its other stakeholders (including customers, suppliers & the extended communities as well as the larger society in which it operates) partners in its prosperity & finds innovative ways of sharing its gains with them.
• When separations have to be forced or downsizings are imperative, they are carried out with a human face & generous terms.	• Downsizing is a device of last resort when the organization has no other choice & is implemented uniformly across levels.	• The organization believes downsizing is inconsistent with its philosophy of being a family & is committed not to resort to it.

7. Dealing with Deviation, Deficiency & Dissent

Critical Fairness Factors		
Basic Standard of Fairness	**Advanced Standard of Fairness**	**Exemplary Standard of Fairness**
• Complaints about people who contravene the company's code of conduct or the Fair Organization Code are dealt with swiftly, sternly & without regard for their seniority or connections.	• Active efforts are made to identify hot spots / people contravening the company's code of conduct or the Fair Organization Code. Processes & structures are designed to prevent / deter deviations.	• The organization has a culture where contraventions of the company's value code & the Fair Organization Code are looked down upon. Prevention is through internal / peer pressure.
• There is 'Due Process' for dealing with deficiencies in performance or attitude.	• Genuine efforts are made to improve deficiencies that are remediable before taking punitive steps.	• Quality of selection, training & HR policies successfully prevent deficiencies from arising except in rare instances.

Critical Fairness Factors		
Basic Standard of Fairness	Advanced Standard of Fairness	Exemplary Standard of Fairness
• There is a well-publicized & functioning whistle-blower policy which does not loop into organizational executives. Whistle-blowing has no untoward consequences: overt, covert, immediate or delayed.	• The whistle-blower channel is regularly used & 'actioned'. Whistle-blowing is externally processed & monitored by an independent board.	• The organization has an operational ombudsman who is independent of the organization & not dependent on it for continuation or reward. Whistle-blowers are encouraged & rewarded when their ideas lead to positive outcomes.
• People working for the organization are free to form & express their views about individual leaders or the organization, its policies & intent.	• There are no efforts to 'brainwash' people into particular beliefs (about individual leaders or the organization, its policies & intent) nor are there penalties for expressing reasonable & constructive dissent from the 'official' credo.	• Unusual & seemingly deviant views (about individual leaders or the organization, its policies & intent) are encouraged & woven into the dialogue concerning policy formulation & improvement planning in the organization.

8. Review & Progress

Critical Fairness Factors		
Basic Standard of Fairness	Advanced Standard of Fairness	Exemplary Standard of Fairness
• The organization has clear and easily accessible rule manuals & SOPs covering areas that may have a bearing on fairness. Appropriate elements of the Fair Organization Code are in the Employee Code of Conduct which is signed off by all.	• The organization's employees are trained to understand & interpret rule manuals, SOPs & the Employee Code of Conduct. They have clear recourse to guides when they require to interpret ambiguity & resolve conflict between rules.	• The top management sees dissemination & exemplification of fairness as a primary & non-negotiable part of its role. Employees & other stakeholders come out of interactions with them with a conviction they have been fairly dealt with.

Critical Fairness Factors		
Basic Standard of Fairness	Advanced Standard of Fairness	Exemplary Standard of Fairness
• Conformity to the Fair Organization Code is internally reviewed & improved.	• The organization has an empowered ombudsman who provides an independent external appeal & review mechanism / agency for the Fair Organization Code.	• Adherence to the Fair Organization Code is institutionalized & impervious to CEO / stakeholder change.
• The internal normative functions responsible for checking conformity with the Fair Organization Code (e.g. Internal Audit, HR, Finance, EHS etc.) report to the highest executive level in the organization & have direct access to the Board for this purpose.	• The independent external appeal & review agency for the Fair Organization Code deals only with the highest executive level in the organization & regularly reports to the Board for this purpose.	• Both the internal normative functions & the independent external appeal & review agency responsible for the Fair Organization Code have a formally specified recourse to further escalation if they feel the executive management & the Board have been impervious to serious issues raised by them.
• The standards of fairness are current (e.g. intolerance discrimination based on caste or of HIV+ cases).	• The standards of fairness are at the leading edge of moral code development (e.g. acceptance of different sexual orientations).	• The organization initiates the development of moral codes. New entries to the Fair Organization Code are created without affecting its fundamental core.
• Robust forums judge & decide on conflicting intra-code demands.	• External participation is invited in deciding on conflicting intra-code demands.	• The organization has a track record in innovating syntheses that systemically resolve intra-code conflicts.

THAT'S NOT FAIR

SATISH PRADHAN

About the Author

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Pradhan has a Masters in History from Delhi University and has worked in several Public & Private Sector companies over the last 30 years. The companies that he has been associated with are – Steel Authority of India, CMC, ICI India, Brooke Bond Lipton India Ltd (now Unilever India) and ICI Plc in various capacities in the HR area.

That's not Fair !

The notion of "felt fairness" is integral to the health of any collective especially work organizations. It is the outcome of the use of legitimate power with equity, and compassion. Justice is about right and wrong, determining right doing or wrong doing, its attribution to individuals and meting out punishment and reward. The relationship between justice and "felt fairness" is often paradoxical.

Justice, like freedom only has meaning within a framework. The "justice" framework in any collective is based on the agreed and accepted norms. The power to dispense justice carries a significant responsibility to align with the "sense of the house". Otherwise it plunges down the chasm of "blind" and often brute justice. There are three dimensions of "felt fairness" that seem to be the most common areas of employee experience. Lets look at these as the points of entry into a deeply significant and complex aspect of organisational reality.

A shared sense of justice and fairness is an integral part of social design.

Lets take the extreme example of a framework of justice that is presided over by very upright, sincere and respected people. Let us assume that this framework is predicated on the belief "an eye for an eye and a tooth for a tooth."

Making the teacher stand outside the class himself punishes a teacher, who is seen as having wrongly punished a student by making the student stand outside the class.

If the members of this collective subscribe to such a belief, it is likely that the exercise of a felt fair procedure to deliver this belief will be experienced as upholding justice and lead to individual and collective wholesomeness? Assume that this is not the case? It is then, very likely that such justice will be felt to be oppressive and harsh – unjust?

Alternatively, in the absence of definitive evidence of wrongdoing, guilt or culpability, a view is held that "if you can't be fair to all the parties, then be equally "unfair" to all"! Based on this both the student and the teacher are suspended for a month.

Look at the fairness dimension. If the school (students, teachers, administrators etc) feel that the punishment is just, however there was no or not adequate fairness in the process. The teacher was not told what he is accused of? Given an opportunity to defend herself? How is this dispensation likely to be received?

Any which way we consider this situation, the beliefs of the individuals, the collective, and especially those in power have a great impact on the experience of the individuals in the social entity – positively or otherwise. This will erode or strengthen trust in the system between individuals, between segments perceived to be bestowed with less or more power; and between the individual and the system. Further, the view that justice is an end in itself *irrespective of the consequences* ; where even if all concerned are disaffected – some greater good is achieved then we may be on a very slippery slope!

While the sense of Justice has a content of fairness it also has a process of fairness. So judgment itself needs to be felt to be fair but equally the process of arriving at the judgment and its dispensation also need to be felt fair.

Justice is seen as a greater good.

If such a view underpins the construct and procedural aspect of justice in an organisation it could end up causing pain and suffering to all affected. The powerful are in such a situation guided by a "custodianship of greater good" and act based on this. The consequences on the individuals and the system may often be seen as necessary "evil"?

Fairness heuristic theory stresses the role of procedural fairness for organization members as an indicator of whether authorities can be trusted not to exploit them. When authorities act fairly, it suggests they are willing to sacrifice some of their own benefits (e.g., as they could obtain by abusing their power) for the benefit of their followers and thus can be trusted not to exploit their followers. Authorities who act unfairly, on the other hand, send a clear signal that they cannot be trusted. It therefore follows that authorities enacting procedures in an unfair manner will be trusted less by their followers

Consider these examples:

1 A CEO of a firm is sacked and criminally charged for forgery with clear evidence of the same.

2 A Secretary is punished with a warning and loss of increments for two years for forgery with clear acceptance of the same.

What would make both fair? What would make one of these unfair? Why would you say so?

Reward and punishment are two sides of the same coin

The biggest bugbear of most organizations is the PMS piece ! It seems to defy being in a stable state in most organizations. Goals, appraisals, bosses, ratings, increments, bonuses, assignments, promotions are all the battleground of enacted and felt fairness.

This really emphasizes the Organisation Design principle of fairness at work. It equally brings home the major assumption that fairness can and needs to be built into design characteristics of an organisation.

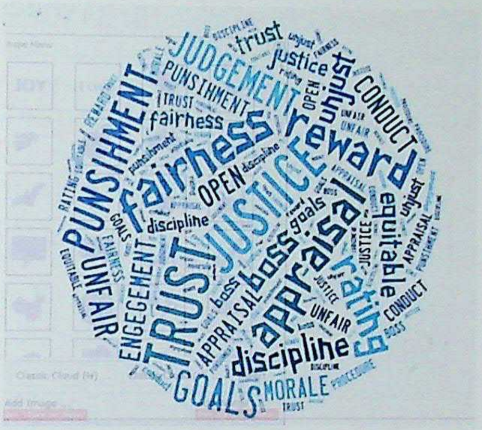
For commercial organizations basic assumptions of equity, fairness and justice suffer at the hands of "practicality" and administrative convenience. The late

CK Prahalad's articulation of the principle "n=1" is indeed a deft and constructive way of challenging this pragmatism and positing an alternative way of constructing our thinking. Six sigma, pareto principle, forced rankings and distribution are statistical tools from the "machine" or physical world and need cautious and thoughtful application in human situations. Organisations rarely think through the basics for themselves when quickly replicating these as "best practice". The unintended consequences then show up in inexplicable employee engagement scores and morale and leadership surveys.

The area of distributive justice and its attendant felt fairness are then impacted.

The absence of reward is perceived as punishment. Even more significant is the feeling of unfairness if others who are seen to be less worthy are rewarded in a way felt to be disproportionate! "Forget what I got! She has not performed at all but got a Good rating and a high reward! That's not fair!"

While there are many dimensions of Fairness, Justice and the use and abuse of Power, the above hopefully would be a stimulant to thoughtful managers and leaders to begin to think about "felt fairness" as a desirable. As we often preface our statements "to be fair......" what do we really intend, and accomplish? Do the words "that's not fair!" ring out more often than not in our organisation's grapevine? Time indeed to think about that?



Word Boxes

An eye for an eye and a tooth for a tooth.

Justice is blind.

If you cant be equally fair to everyone, be equally unfair to everyone.

When injustice is the order of the day, disorder is the beginning of justice.

What's sauce for the goose is sauce for the gander.

FAIRNESS IN ORGANIZATIONS AND IMPACT ON ORGANIZATIONAL CITIZENSHIP BEHAVIOURS: LINKAGE OF THEORY AND PRACTICE

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This example tries to throw light on one of the highly relevant areas of organizational behaviour research – Organizational Citizenship Behaviour. Consider a typical bank employee in a public sector bank. Let us name her as Ms. Mala. She is supposed to work from ten in the morning till five in the evening. In a computerized bank setting, she is supposed to enter some data, process queries, and in a nutshell execute the customer service demands. There might be a well written job profile which illustrates the kind of job she is supposed to do. Now let us look at a Monday morning. The bank is really busy after a holiday. Customers are demanding quick service and most of the employees are busy. Now this employee sensing that her neighbour needs a bit more help with sorting out a query tries to give some quick advice, requests the customer to come to her counter so that queues can be balanced out and in the mean time answers an enquiry call from the customer service desk while the agent who was supposed to handle it took a break. Ms. Mala also pulls out another thirty minutes after the scheduled time of five in the evening so that the accounts are tallied.

What is so special of what Ms. Mala is doing? Ms. Mala is exhibiting characteristics of organizational citizenship behaviour which is defined in research as "*Individual behaviour that is discretionary, not directly or explicitly recognized by formal reward system, and that in the aggregate promotes the effective functioning of the Organization*".

Commonly we also use the term discretionary behaviours in place of citizenship behaviours. The definition comes from Dennis W. Organ in his well recognized book "The Good Soldier Syndrome" published in 1988. Typically the quite "ordinary" things which

Ms. Mala was doing at her bank belong to the class of citizenship behaviours. Nobody was directly rewarding Ms. Mala for giving advice and helping out her colleague. Nobody essentially took note and rewarded Ms. Mala for handling the customer query. Also extending her work hours for finishing off the extra burden could have been kept off for the next day or some other more responsible person for the job should have taken charge. However it is interesting to note that these are citizens of organizations who put in extra voluntary efforts and take initiative at their own discretion to help the individuals in the organization or the organization as a whole to help run it better.

Organizational Citizenship Behaviour

According to researchers OCBs can be classified on five dimensions namely altruism, courtesy, conscientiousness, sportsmanship and civic virtue. These five dimensions are explained by Organ as the citizenship behaviour of individuals towards the organization and individuals in the organization. Altruism generally looks at the unselfish behaviour of individuals and might be directed towards certain specific individuals or groups of individuals in the organization. This might be something like Ms. Mala handling the job responsibilities of Ms Radha who happens to be a friend and colleague of Ms. Mala when Ms Radha came late to the office. Conscientiousness refers to more than compliance of the general order/work rules of the organizations. Doing things in the best way than what is warranted according to one's own discretion might be a right explanation to conscientiousness. Ms. Mala staying late in the office so that the job related activities are done is an example of conscientiousness. Courtesy refers to simple actions which might help make the future work of others easy. An example would be a bank clerk informing a marketing executive about the arrival of an important customer. Another interesting example would be a colleague informing another about the bad mood of a boss and hence asking him to avoid a meeting with him at the specific time. Sportsmanship involves the characteristics of working as a team player. Avoiding unnecessary complaints and gossiping about the organization, co-workers and, the job are necessary parts of sportsmanship at work. Civic virtue looks at the participation of the employees in the general concerns of the organization. Civic virtue essentially brings in participation and democracy in organizations. Ms. Mala participating in the women's forum which looks after providing basic amenities for the female employees in a bank and helping in fund raising for treatment expenses for a lower grade employee belongs to the civic virtue aspect of OCB.

Traditionally, we have seen that some of the Trade Union leaders have shown high degree of citizenship behaviour. However the concern was that most of their activities were concerned only towards the trade union members rather than the organizational well being or the well beings of the employees in general. Some of the individuals who exhibit these kinds of behaviours might also be characterised as doing ingratiation. They might be just showing these behaviours to be "good" in the eyes of the supervisors and hence get better rewards and support. Studies also show that in general ingratiation does not help in getting the desired rewards and supervisors recognize the difference between ingratiation and OCB.

It is expected that that inequality and lack of procedures for rewards, punishments etc, will have negative impact on job satisfaction and organisational commitment. Simons and Roberson (2003) have found procedural justice have an effect on intention to quit mediated through organisational commitment. Apart from the impact on organisational commitment, study by Roberts, Coulson and Chonko (1999) have found that justice variables have direct impact on even key outcomes like turnover intent.

What influences OCB?

While an individual may choose to do organizational citizenship behaviours, does some of the organizational factors influence the magnitude of the same? The following are some of the major factors which researchers have found, influence citizenship behaviours:

a) Organizational Justice /Fairness

Organisational justice has been discussed in the literature extensively and it has been shown to affect a number of organisationally relevant outcomes. One of the bases of the justice literature comes from the Adam's equity theory, which speaks about equity, equality, and need. Organisational justice essentially looks at the perceptions of fairness in organisation (Greenberg, 1987). These perceptions depend on decisions taken in the organisation and also the process of decision-making (Saunders, Thronhill, and Lewis, 2002). However, research in this field has been expanding and organisational justice has been broadly classified into the distributive and procedural justice. While distributive justice looks at how equitably rewards or punishments are given, procedural justice looks at the fairness in the procedures that are adopted for delivering organisational rewards or punishments. Aquino et al. (1995), Roberts, Coulson, and Chonko (1999), Krishnan (2006) have explored the role of distributive justice and procedural justice in behavioural and attitudinal outcomes and state that they have considerable impact on job satisfaction, commitment, and turnover intention. Employees might perceive lack of justice in factors like job allocation, pay, performance appraisal, rewards, and policies regarding all these. Especially in the context of knowledge workers, it might be possible that they might be more sensitive to issues regarding work place justice.

The three forms of justice namely distributive, procedural and interactional have been found to have considerable impact on citizenship behaviours. Distributive justice looks at the equity factor related to work. Research proves that lack of distributive justice for example in the case of rewards and punishments can reduce the citizenship behaviours. Procedural justice looks at the procedures which are set up in the organization related to work, rewards and punishments. Interactional justice refers to the justice element in the interaction between the employee and supervisor. All the three justice factors have been found to have critical influence on OCB.

Let us consider an illustrative hypothetical example involving Ms. Mala. Consider that Ms. Mala came a bit late to the office as there was a traffic block. The bank manager who is new to the office thought that Ms. Mala's case as one of indiscipline and issued a warning to her. Ms. Mala was embarrassed by this incident. There were lot many who used to come late and did half the work that Ms. Mala used to handle. She thought that her reputation that was built over fifteen years have gone down under. She was insulted in front of some of the very familiar customers and colleagues. Ms. Mala lost all the interest in work. She is now handling the usual work that used to be done and was trying to avoid any conversation with colleagues and customers. She felt dejected to the core. That day she complained a lot about the kind of organization she is working. She felt that there is no point in doing those good things to this organization. Ms. Mala was also very prompt in leaving her seat at sharp five in the evening. This shows how perceptions of fairness based on distributive and interactional justice can impact one's attitude.

b) Organizational support

Organizational support refers to the general perception of the employee regarding how much the organization values him/her as an employee and how much it cares for his/her well being. This might include providing a good work environment, caring for on the job concerns, providing necessary support for completing the work etc. Generally employees stay and work for the organization and do more than what is expected in response to the support they receive from the organization. Research shows that organizational support heavily influences the organizational citizenship behaviours of individuals.

Recent research (eg: Noruzy, A., Shatery, K., Rezazadeh, A. and Hatami-Shirkouhi, L (2011) found that perceived organizational support mediates the relationship between organizational justice and organizational citizenship behaviours.

It can be easily assumed that though some individuals might be more inclined towards exhibiting OCBs, it is really the organizational factors that have a greater influence on the extent to which OCBs are exhibited. The role of the supervisor/manager is critical in this aspect. Employees might see an immediate supervisor as a representative of the entire organization. Supportive and clear organizational policies which are underpinned on the basis of equality and clearly laid out procedures can help individuals to be part of the organization in a better way. Research has shown that individuals who are laid off from organizations through a fair process continued to have a good opinion about their organization.

OCB in the Indian Context:

Indian society is generally considered as more collective in nature. We also agree more on the hierarchical power structures in the society and organizations. Helping others and supporting them is considered to be part of the values which are instilled in us as individuals. It is expected that individuals carry these values to the work place. It is possible that Indian employees may show higher degree of helpful behaviour to others in the organizations. However if the much needed organizational factors are missing, they might avoid directing these behaviours for the well being of the organization. For example the individual might show high degree of concern toward a fellow colleague, and at the same time might postpone of the important jobs/take frequent breaks without informing the supervisors. As discussed earlier OCB as a concept needs to be taken care at the organizational level while we are considering policy formulation and procedures. Better interpersonal relationships at work place and mechanisms to aid it act as a force for OCBs at the individual level.

Implication for Practice:

It is important that organizations recognize the "citizens" and create a positive environment to build a greater mass of citizens. Organizational citizenship behaviours can form the basis of effective organizations which function on the basis of trust, selflessness and high degree of integration of the employees. Benefits of enhanced citizenship behaviours will have a direct effect on the working environment, productivity and enhanced customer service. With organizations facing stiff competition, higher expectations from customers, need for innovation, discretionary behaviours / OCB will be key for them to sustain the edge.

From a practice point of view, some of the factors that can help in improving discretionary behaviours / OCB are:

a. Organizational Procedures:

It is important that organizations have processes and procedures that are fair and also these are communicated effectively to employees. The effect of these fair processes and procedures will only be manifested as discretionary behaviours only if the organization in general is considered to be supportive. This involves understanding the difficulties of the employees, requirements for providing competency development for employees to perform, appreciating and rewarding discretionary behaviours, and also having a value system rooted in fairness and trust.

b. Managerial Behaviour

Ensuring that managers engage in conversations that does not violate procedures of the organization, and are seen fair in their decision making is key for employees to continue their discretionary behaviours. All tenants of employee engagement speak of this. For example, in one of the organizations that People Business had engaged in consulting, employees felt after their performance discussion that they have done a great job while the rating put them in the lower bracket. This clearly makes employees feel that distributive justice is not followed. Similarly, employees feeling that they have a higher participation in decision making and overall understanding organizational strategy clearly felt to exhibit more discretionary behaviours.

c. HR Practices:

It is important for organizations to review the key HR practices that impact perceptions of fairness in the organization. Often these are promotions, salary revisions/ corrections, performance ratings, performance discussions, exit interviews and even fairness of decisions like layoffs. It is important to note that employees are more worried about the procedures followed or the fairness of the same rather than what they would have received/not received. It is important that organizations communicate this aspect clearly in all the processes. More and more organizations are moving towards evidence based decision making to make processes fairer.

Conclusion:

This paper looks at a very critical outcome of organizational fairness - citizenship or discretionary behaviours. Research shows that Distributive, procedural, and interactional justices have impact on citizenship behaviours. It is important that organizations take cognizance that view of their practices and processes through the lens of fairness and aligning them to communication and managerial behaviours can have an impact on productivity, going beyond the book, innovation and culture of collaboration and stretch in the organization. Supportive organizations can reap the benefits to much larger extent. As organizations continue to grow and sensitivity of employees to how they are treated is high, it is important that organizations align the macro culture and micro cultures (culture that each of the managers/leaders create, in lines of the work of Curt Coffman (Coffman and Sorenson, 2013) aligned to fairness and support.

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ORGANIZATIONAL FAIRNESS: PERCEPTIONS AND PRACTICES

NATHAN SV

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"Being good is easy, what is difficult is being just."

– Victor Hugo

One fine summer day, a man went out at six in the morning to hire labourers for his vineyard. He found some men, agreed to pay them ten cents for a day's work and sent them into the field. He then went out after a couple of hours, brought in more labourers and promised to pay them ten cents for the remainder of the day. At noon time he again brought some labourers and said he would pay them 10 cents for the day's work. When evening came, he asked his accountant to call the labourers beginning with the last and paid them ten cents each. When it was time for the first lot of labourers to get paid, they started expecting more than 10 cents. They began murmuring that it was unfair as they were the ones who had worked the most and were getting paid equally with those who had worked the least. But the Owner responded smilingly, "Friend, I do you no wrong, I agreed to pay you ten cents and that is what I am paying you."

This parable from the New Testament captures beautifully how tricky the concept of fairness can be. Here we see that although contractual obligations were fully met, the employees did not perceive the employer to be fair. The obligations were just, but it did not seem fair. This is quite an important lesson while talking about fairness; it is based almost entirely on perception.

This brings us to the question of what fairness is. The Oxford dictionary defines it as "the quality of treating people equally or in a way that is reasonable". However, as witnessed in the story above, 'equal' is not always fair. Hence our focus is more on what is 'reasonable' and perceptions of what makes it reasonable.

Fairness and Justice

Is it fair to say that you are fair if you are just? Fairness and Justice are two terms which have a long history. Scholars have long debated their connection and differences. John Rawls in his work "A Theory of Justice" equates justice to fairness and propounds a theory known as "Justice as Fairness". Other scholars like S.I. Hayakawa says, "Fairness is the most subjective form of justice, but still suggests 'an appeal to reasonableness and open-mindedness'." (*Choose the Right Word*, 1968). These theories have since been debated, refuted, ratified and questioned. However, with reference to organizations and management research, the two terms are often used interchangeably.

Organizational Justice refers to the extent to which employees perceive their organization's procedures, interactions and outcomes to be fair. This concept was introduced by Greenberg in 1987 and also takes into account the resultant behaviour of employees due to organizational practices. Organizational Justice can be broadly categorized into three types (Cropanzano, Bowen & Gilliland, 2007):

Distributive Justice: This examines the idea of outcome:

Equity: Rewarding employees on the basis of their contribution

Equality: Rewarding all employees equally

Need: Rewarding employees on the basis of their Need

Procedural Justice: The justice of formal allocation/distribution processes:

Consistency: All employees are treated the same

Lack of Bias: Absence of discrimination and bias

Accuracy: Decisions are based on accurate information

Representation of All Concerned: Appropriate stakeholder involvement and stakeholders having a say

Correction: Mechanism for correcting injustices

Ethics: Norms of professional conduct are not violated

Interactional Justice: The justice of interpersonal transactions:

Interpersonal Justice: Treating an employee with dignity and respect

Informational Justice: Sharing relevant information with employees

Perceptions about Organizational Fairness: A short study

Questions on Justice and 'what is just' go back a long way in history. Contrary to philosophers who tried to understand what is "truly just", the management scientist is more concerned with what people believe to be just. We wanted to understand the same from the context of organizations operating out of India. To discover this, and maximize our reach across industries, we conducted a short survey across organizations operating in India. The approach was minimalist, with a total of only 3 questions (excluding demographic data) to avoid "fatigue inaccuracy". A five point gradation scale was used to measure responses.

We wanted to know what the Indian employee's think and relate to when you said "Organizational Fairness". The top three things that the respondents had on their mind were - Ethical, Just and Conducive Work Environment. The other dimensions that the workforce thought about were Performance Evaluations and Opportunity for Self-development.

Respondents were then asked about the dimensions which would have maximum impact in making their organizations a 'fair' place to work. This was to check on what factors had the greatest impact on 'fairness'. The top three things were 'Performance Evaluations', 'Promotions' and 'Rewards & Recognition'. Clearly, the top three things that improved the fairness quotient are the ones that organizations grapple the most with – how do you reward performance, decide on promotions or select them for Rewards & Recognition.

Measuring Fairness

How should organizations understand if employees consider their workplace to be fair? This would involve tapping into what employees feel about organizational practices. The accepted way of going about it, is to conduct an Employee Engagement Survey. These surveys are normally used to understand the engagement index of employees and their commitment. It can also be used to understand perceptions on fair practices in the organization and because this provides the organization with insights directly from the employees, it is invaluable. Most well established organizations conduct such a survey once every year, although in certain organizations, the practice is to do it once every two years. There are other ways to tap into employee perception too. These would include, using the HR team's/ engagement specialist's floor connect. Organizations could also tap into the floor pulse through their Managers and Team Leads. Some firms have focus group discussions to supplement the inputs received from the survey. Overall, it is possible to check the perceptions around fairness.

Fairness in Organizations: Best practices in Performance Management

In our study we found that 'Performance Evaluations' feature in the list of top three factors that shapes perceptions on Organizational Fairness and is also the top dimension which respondents feel would significantly boost fairness. This merits a closer look at Performance Evaluation practices and how it impacts perceptions on fairness.

A US based consulting giant operating out of India has some employee friendly practices. The annual review is a cumulative review of the various 'Project Reviews' and other aspects like utilization. The Project Reviews are typically done by project managers but the employee has the flexibility to choose the team lead or even a peer for the review. Not only that, the employee can choose to submit his two best Project Reviews for the Annual review which is done by a functional manager. This organization also has a mechanism of a two level escalation when it comes to ratings. On interacting with employees, it was found that they really appreciate the flexibility they have in their reviews and feel that the appraisal process is fair. And at the end of a performance evaluation, there was a quick feedback survey to check if the process was seen to be 'fair'.

Another Indian Services MNC has a process where the team built metrics. At the end of the year, employees are evaluated strictly on metrics and compared with each other on the same basis. Even at higher levels where key responsibilities would revolve around people management, performance is still quantified based on attrition, resource buffer required and other parameters like profitability. This does away with subjectivity and the chances of practices like favouritism creeping in are quite minimal.

A financial services firm from Mumbai checks to see how their employees feel about their performance evaluation process. This organization appraises employees based on a combination of "achievement of their KRA's" (set during Goal-setting) and Competency Levels. There are 3 levels of appraisal – Self, Manager and Business Leader. What gives employees that extra bit of voice is the fact that the Business Unit Leader meets with each one of them one on one where they can discuss their review of performance. This is definitely time-consuming as some Leaders might have to meet as many as 100 employees but it boosts transparency and enhances the fairness aspect.

However, some companies, in spite of having a robust performance evaluation process, may lack in its effective execution. In one of the 'Big 4' firms, more than 60% of the employees have expressed dissatisfaction towards the current performance management system in their annual engagement survey. The primary reason for such feedback is that at each stage of the process there are no established guidelines to be followed by business leaders during evaluation. This in turn brings in a lot of subjectivity in decision making. Due to lack of transparency and improper rationalization of feedback communication, employees have started losing trust in the system. A leading adhesive manufacturing company is also facing a similar issue. The company moved from a pen and paper evaluation method to an online performance management system about two years ago. The process and guidelines to be followed for fair evaluation is still at a nascent stage. Performance is rated for each employee at multiple levels starting from direct reporting managers to Head of Departments, however rating information is concealed from the employees. At the end of the cycle, employees are provided feedback by their managers which may not correlate with the rating decided internally.

To avoid such a situation, communication and fine-tuning each phase of the process becomes highly critical. A leading semi-conductor manufacturing firm invests heavily each year on roadshows, training programs and leadership connects, to educate and handhold the employees through each phase. Managers and feedback providers are also trained on how to provide constructive feedback, create developmental plans, convey tough messages, etc. To enhance process transparency, employees are encouraged to connect with leaders through informal connect programs like coffee chats to learn more. Leaders also make it point to share best practices and tips that could be followed while setting goals and during performance assessment. During feedback communication, the Managers are trusted with the responsibility to share the information as collected during various levels of normalization and evaluation.

However, many organizations are now favouring processes which do not have an extensive time requirement. A number of product based Technology companies have done away with the cumbersome exercise of multiple reviews and the onus is solely on the immediate manager to review the performance and link it to compensation. These practices do result in a quicker and less resource intensive performance process but employee satisfaction in terms of an unbiased process is low. So, what an organization sees as just, may not appear to be fair to employees.

As seen from these examples, Performance Evaluation is a double edged sword where right intentions are often not enough. Transparency, flexibility and employee empowerment seem to be important. The ability to communicate in a way that employees appreciate the process is the fulcrum of the scale of fairness and being just.

Fairness in Promotions

The importance of promotions differs across cultures. According to Hofstede's cultural dimensions theory, the Power Distance Index can be used to understand a nation or culture's proclivity to hierarchy. Power distance is defined as the extent to which the less powerful members of institutions and organizations within a country expect and accept that power is distributed unequally. According to The Hofstede Centre's online database, India scores 77 on the Power Distance Index (PDI) which is indeed a high score. Just to understand this a little better, the United States, Australia and the United Kingdom, score 40, 36, and 35 on this dimension respectively. This means for Indians the positional power is highly respected and this in turn makes promotions very important.

Hence it should hardly be a surprise that our respondents felt that enhancing fairness in promotions, would make a significant impact on the overall fairness quotient. The high score on Power Distance also means that employees are more likely to accept promotion decisions just because it comes from higher up. This may also lead to practices like favoritism which will drastically reduce the fairness quotient. Often when someone complains of a colleague's unfair promotion, the underlying question is, "Why did I not get promoted?"

How do organizations tackle these challenges? Practices like favoritism and nepotism are often handled by having very strong ethical practices. A good way is to define standards, socialize the same, ensure non-retaliatory reporting of such incidents, have an independent body to probe into these matters. Typically, there is an Ethics Officer who deals with any such complaint.

In terms of tackling employee perception on unfair promotions, the following measures came out as best practices:

a) Clearly defined expectations for each career level

b) Socializing and educating employees on expectations at each career level

c) Evaluating employees on set criteria and having multiple reviews to ensure fairness

d) Ensuring that employees receive regular constructive feedback which helps them appraise themselves with respect to expectations

e) Having coaches to guide employees bridge the expectation gap

f) An opportunity for redressing any grievance

Fairness in Rewards and Recognition

Another one of Hofstede's Dimensions is Individualism vs Collectivism which is basically the "degree of independence a society maintains among its members" or "the degree to which individuals are integrated into groups". As a nation, India scores an intermediate score of 48 which indicates traits of both, inherent in the culture here. While employees here are individual to a certain extent they also do belong to larger groups. Recognition at a group level is therefore is also important.

Recognition, truly is the trickiest dimension to manage. Incorrectly implemented, it causes more harm than good. Let us examine some common pitfalls. A typical problem arises when these programs become elitist in nature and reaches out to only 5-10% of the workforce for example. Such a practice is soon perceived as a favouritism game. Another pitfall is when rewards become entitlements. Often, if rewards are not distinguishing enough, employees start perceiving them as entitlements and are disappointed when they do not receive them.

A research conducted by Bersin by Deloitte, reveals that 87% of recognition spends are on tenure based recognition. The research goes on to say that tenure based awards have virtually no impact on organizational performance and are typically survivors of legacy recognition systems. It also points out that companies that scored in the top 20% for building a "recognition-rich culture" actually had 31% lower voluntary turnover rates.

Let us look at some best practices for building such a "recognition-rich culture" and circumventing the pitfalls mentioned:

a) **Decide what your employee recognition program is going to be:** Having specific programs, deciding on spread, frequency, recognition techniques, etc is a way better than an ad-hoc approach.

b) **Define award-worthy behaviours and reward people who consistently exhibit defined behaviour:** Follow the rules of classical conditioning and award behaviour which promote organizational objectives

c) **Reward for specific results:** Clearly mention what the employee is being recognized for. This makes the reward more relevant and others want to emulate such behaviour.

d) **Peer Recognition:** Recognition from management may often be viewed as coloured. Peer recognition in a country where the Collectivism factor is high is indeed very impactful. This view is strengthened by the Bersin research which tells us that peer recognition has greater impact on recipients than manager recognition.

e) **Recognize Timely:** Recognition loses impact if the event is not fresh. Often procedural obligations make recognition a cumbersome process and employees are not recognized timely. To get over this, a number of companies have instituted smaller awards and empowered managers to award them on the spot without any approvals or procedure. Recognition, when timely, enhances the impact quite significantly.

Organizational Justice Vs Fairness: Why bother at all?

Job satisfaction was found to be positively associated with overall perceptions of organizational justice such that greater perceived injustice results in lower levels of job satisfaction and greater perceptions of justice result in higher levels of job satisfaction (Al-Zu'bi, 2010). Job satisfaction depends of perceived fairness. This means that organization fairness is key to sustenance. Add to this the fact that in 2001, The Gallup Organization estimated that "actively disengaged" employees cost the U.S. economy between $292 billion and $355 billion a year, and we know why organizations should care about being fair.

Moreover, perceptions of procedural justice have been associated with what is termed as 'organizational citizenship behaviour' (OCB) – informal, pro-social acts that go beyond the remit of the job description and encompass such outputs as courtesy, conscientiousness, altruism and sportsmanship. (Organ, 1998; Scarlicki and Latham, 1996). Other benefits might be surprising, such as direct correlation with employee health and well-being. (Kivimaki et al, 2004)

Employees react differently to perceived injustice ranging from exits, withdrawal or disengagement, absenteeism, "counterproductive work behaviours" to extreme behaviour like employee theft. There is often a desire to name and/or blame the person, procedure or system considered to be at fault (Sheppard et al, 1992). Such behaviour is most certainly counterproductive for the organization and may also influence the Justice Climate inversely. This may even impact the brand of the organization which is certainly one of the most negative outcomes possible arising out of perceptions of injustice.

Boosting Perceptions on Organizational Fairness

Organizational Fairness cannot be a one-time measure. It has to start at the start of the employee life-cycle and retain its value throughout.

Selection Process: The recruitment process is the employee's first touch point. How they are treated at this stage can have lasting effects. Applicants who feel justly treated are more likely to form positive impressions of the organization (Bauer et al., 2001) and recommend it to their friends (Smither, Reilly, Millsap, Pearlman, & Stoffey, 1993). Unfortunately, the flip side is also true.

Communication: No matter how fair the organization, if it fails to communicate all that it is doing to promote fairness, chances that perceptions will cross over to the positive side are slim. Communication has been shown to be related to interpersonal and informational justice perceptions (Kernan & Hanges, 2002). The quality of communication by an organization or manager can improve justice perceptions by improving employee perceptions of manager trustworthiness and also by reducing feelings of uncertainty (Kernan & Hanges, 2002). Accurate, timely and helpful communication is the most powerful tool organizations have to boost fairness perceptions.

Involvement: Employees Involvement must get a boost to make employees feel that they have a say in the system and have a channel to express their thoughts. Higher levels of fairness are perceived when employees feel that they have an input in processes than when employees do not perceive that they have the opportunity to participate (Greenberg & Folger, 1983; Bies & Shapiro, 1988). Participation in decision making also boosts perceptions of Organizational fairness to a large extent.

Performance Evaluations: 'Performance Evaluations' is the dimension which has the most scope for improvement and also significantly shapes perceptions on Organizational Fairness, according to our study. Having a fair Performance Evaluation system calls for Transparency in the system coupled with Empowerment to employees. A study in 1998, examined employee participation in Performance Appraisal and found that when employees had a voice they were more satisfied, saw the process as fairer and were motivated to do better even when the participation could not affect ratings (Cawley, Keeping and Levy, 1998).

Fogler, Konovsky and Cropanzano (1992) recommends a 'due process' approach to appraisals:

Adequate Notice, involves letting employees know when they will be appraised and on what criteria.

Just Hearing, means limiting the review to "admissible" evidence and providing employees a chance to provide their own interpretation to events.

Judgement based on Evidence, means that standards should be accurate, raters should be trained and decisions should be based on a formal process.

Conclusion

Like the workers in the vineyard, fairness is in the eyes of the beholder; it is like service. Although hard to understand and quantify, fairness like service must be gauged through inputs from the customer, i.e., the employee. Like most things in life, it has two sides.

On one hand, we have the effects of unfair organizational practices which are detrimental to organizational objectives ranging from low morale, reduced performance to emotional exhaustion and disengagement. The long term effects on brand value are downright disastrous. On the other hand we see that fairness in organizational dealings engenders positive feelings like trust and promotes "organizational citizenship behaviour".

Is it possible though, to always keep all parties happy? There will always be business decisions which will result in negative outcomes for some. Contrary to popular belief, negative outcomes do not necessarily create a negative perception on fairness. In fact, negative outcomes are better handled by employees who feel that the outcome was reached through procedurally just means. This is where the role of communication becomes critical. Communication is the platform from which all the other dimensions of fairness must spring.

Performance Evaluations must be a focus area to enhance the fairness quotient. The paradox of ensuring transparency and empowerment yet retaining a scalable model as numbers increase exponentially might result in changes in appraisal processes. This can be achieved only on the back of a strong communication system which ensures transparency and involves employees at various levels to make them feel a part of the process.

Most importantly, fairness as a core value can define an organization's identity with its stakeholders. Keeping aside all material gains, organizational fairness ensures that practices are in line with ethical standards of the day and caters to its stakeholders' sense of moral propriety. It strengthens the view that organizations are more than mere economic institutions. What is just may not be fair and fairness is the basis of all what is just, as it turns out in organisations.

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ORGANIZATIONAL FAIRNESS

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Introduction

The concept of 'fairness' is very controversial, as it is closely related to the idea of 'Justice'. It is a political notion, a concept created by man, and is a deeply studied topic in moral & political philosophy. Dynamics within organisations usually mirror equations that exist in society at large, since organisations are an inescapable microcosm of society. In fact the larger the organisation, the more inevitable this is. Transnationals which span geographies have the additional task of ensuring diversity and inclusion across multiple legal boundaries. Organisations try to manage conflicting pulls of interests by setting out expected behaviours & outcomes through clear policies, guidelines and processes. But whether it is in actual or perceived injustices in management vs worker relations, imagined or real glass ceilings, alleged or actual cases of harassment or even simply in regular day to day HR processes of recruitment, career progression to exits, notions of organisational fairness are quite vulnerable to interpretation. In countering this vulnerability however, is a possible strength, of perceived fairness being inextricably linked to culture, values & behaviours – as demonstrated by members of the organisation, and as experienced by those who come in contact with them.

Over the next few sections we will try to share our understanding of 'fairness' as interpreted and researched by scholars, across cultures and history (Section 1); implications of 'fairness' on organisations, both in the for profit and not for profit sectors (Section 2); our experience of it in the Azim Premji Foundation - our resolves, the challenges as well as the ongoing dilemmas we are still trying to grapple with (Section 3).

Section 1: A brief glance at the concept of 'fairness' in Society across history

In understanding the various interpretations of 'fairness' in the social sciences, specifically in social & political philosophy, we find one of the earliest arguments in Western discourse appear in Adam Smith's 'The Theory of Moral Sentiments' (1759) – whose *'moral and political engagement and its continuing relevance to the contemporary world'* are referred to in Amartya Sen's 'The Idea of Justice'(2009), where he says there was an insistence *'that a sense of wrongdoing be critically examined through reasoned scrutiny to see whether it can be the basis of a sustainable condemnation. A similar requirement of scrutiny applies to an inclination to praise someone or something'.* Reasoning, critical assessment, impartiality and detachment from vested interests are all essential criteria in any such attempt at a reasoned scrutiny.

John Rawles in his seminal work 'Theory of Justice '(1971) has defined justice as fairness and his works are referred to by Will Kymlicka in his classic textbook *Contemporary Political Philosophy: An Introduction (2001)* as 'ground zero' for such debates. Interpretations of fairness have varied over time in history. We have on one hand theories of a 'good society', concepts of the 'meaning of power' or the 'nature of law' which were popular topics fifty years ago, to the more recent emphasis towards justice and freedom, to questioning the traditional male dominated spheres of government & economy.

An equally seminal work closer to home which discusses interpretations of fairness in the context of managing organisations is *Arthaśāstra*. Roger Boesche describes the *Arthaśāstra* as "a book of political realism, a book analysing how the political world does work and not very often stating how it ought to work, a book that frequently discloses to a king what calculating and sometimes brutal measures he must carry out to preserve the state and the common good." The *Arthaśāstra* also focuses on issues of welfare (for instance, redistribution of wealth during a famine) and the collective ethics that hold a society together.

Referring to Kautilya* on *Nyay & Niti* in *Arthashastra*, Amartya Sen had this to say in his book 'The Idea of Justice'

"..to invoke an old distinction from the Sanskrit literature on ethics and jurisprudence. Consider two different words – *niti* and *nyaya* – both of which stand for justice in classical Sanskrit. Among the principal uses of the term *niti* are organizational propriety and behavioural correctness. In contrast with *niti*, the term *nyaya* stands for a comprehensive concept of realized justice. In that line of vision, the roles of institutions, rules and organization, important as they are, have to be assessed in the broader and more inclusive perspective of *nyaya*, which is inescapably linked with the world that actually emerges, not just the institutions or rules we happen to have."

It would be remiss not to consider the concept of Dharma and Manu's deep seated influence on our social structures, and consider the interpretation of fairness in that context too, where one could say the concept of fairness is considered and rationalized across the dimension of 'time'. In fact throughout the history of civilisations we see the dominance of elite minorities (as observed by historian Arnold Toynbee). However, the vision of society as articulated in the Preamble to the Constitution of India is what prevails, and in that context, underlying principles of democracy and equality are what define justice & fairness for us today.

Section 2: Implications for Organisations

We see the concept of 'fairness' rationalized in the context of the values and thinking prevalent in society at a point in time; its interpretation also varying when we consider the impact on an individual vs a collective common good (the question of fairness for whom). Are small bits of unfairness for individual required for the larger good? Similar such complications exist for Organisations.

If we disregard the extractive & exploitative nature of organisations that spawned during the Industrial Revolution, and consider the nurturing & fostering role they now assume, we must acknowledge the requirement of a fair and stable internal environment in order to ensure productivity, innovation and perpetuity.

With increased awareness in the civil society on human & environmental rights, can we hope the conflicts inherent within the interests of 'management', 'worker' and 'society at large' etc. are lesser today than before?

Trends have increased focus of organisations towards humaneness, respect and dignity as reflected in attempts towards employee engagement, participatory management and democratic practices – and this is also reflected in the journey of our profession from Personnel & Industrial Relations to Human Resources.

Some challenges that organisations still grapple with and which continue to intrigue us are as follows:

Does fairness mean equal opportunity – Considering the disparities in social structures that exist, where opportunities for development are often denied by sheer chance (the great Ovarian chance, as they call it!), would it be fair to say the market offers equal opportunities for employment? At what point can the playing field be considered levelled and its implication on the notion of meritocracy is worth deliberating on.

Are assessments fair - All decisions that are made by individuals are invariably made through certain subjective filters, social conditioning, biases and preferences. Organisations have the advantage of being able to access and put in place multiple checks, assessment tools and points of view in decision making so that they can be made as objective as possible. However this adds to the cost and time involved in decision making and the balance to be struck needs to be continuously negotiated and revisited from time to time.

Is everyone equal before the law - There are enabling legislations within the country and internationally that require legal compliance for redressal or for ensuring fairness - Prevention of Sexual Harassment, to name one. But when a person who has a critical role in the organisation is under investigation, that influence tends to weigh on the decision. However, it is important to ensure that the organisation's immediate vested interest does not come in the way of taking a balanced decision.

Is fairness ensured by sticking to the rule book – The rule book may be clear on that, but would it be fair? A genuinely inadvertent lapse in data security, an error in hasty judgment - organisations need to rationalize and apply these tough calls to weigh in all the circumstances or follow the rule book. It is definitely safe to play by the rule book, but never always right to stick only by the rule book. There are added complexities when there are unintentional errors, yet ones which have huge impact. There are definitely consequences to be faced, but by whom?

Section 3: Experiences at Azim Premji Foundation

The Azim Premji Foundation is committed to working towards a vision of a just, equitable, humane and sustainable society. A society as envisioned in the Preamble to the Constitution of India. Our values, beliefs and culture resonate strongly with the ideals of responsible citizenship, and rest in mutual accountability and faith in the goodness of humanity. To that end, like many other social sector organisations we too try to 'be the change we want to see in the world'. Ensuring fairness in our workplace is therefore pretty high up on our list of priorities. How does this translate into our experiences? We have a set of values and beliefs that we abide by, and these guide us not only in our routine work, but also in resolving difficult situations. There are many which get resolved unanimously, some which require deeper deliberation before arriving at a solution, and some dilemmas we continue to grapple with.

Clear priorities for us: We put people before process and believe good things happen when we bring good people together. 'How' something is done is as important as 'what' is done and in this we value & rely on the good sense and judgment of our people. Therefore, a disproportionate amount of attention and effort is invested on recruiting & selecting the right people.

Hard decisions often need to be taken, but humaneness, consideration and respect are non-negotiable. Even in instances of seemingly obvious transgression, we take extra caution to ensure we don't jump to conclusion, revalidate the facts at hand, check with care to identify only those actually implicated, factor the extenuating circumstances in our communication while our decision may remain unchanged, and consider counselling options where required. The Prevention Of Sexual Harassment committee's decisions or violations of our code of conduct have been firmly acted upon irrespective of criticality of the role the person is in.

Deeper deliberations: One of the more sensitive issues we face is the assessment of our people. Due to the subjective nature of the decisions, we take efforts to triangulate these discussions with multiple points of view and invest the required amount of time & seriousness for every member in the organisation. We realize this will take up a significant amount of organizational time as we scale but that is an investment we feel we must make, to continue to understand our people better and remove subjective bias in people decisions.

While we have policies & procedures in place, they are deliberately kept light as we want to be governed by a shared 'good sense' in everything we do. Good sense to us means being accountable to the cause, to our colleagues and to our own conscience, to go by the spirit of the policy and not by the book. This implies that we are expected to apply our discretion wherever needed, and that the organisation backs those decisions. It entrusts us with both a sense of freedom as well as of responsibility to act thoughtfully after due consideration.

Dilemmas we continue to grapple with:

In matters concerning equity and justice in compensation, we face huge challenges. The economic environment with all its asymmetry, determines the range of compensation for various jobs. As an organisation we may or may not agree with which jobs are considered more important than the other and why, but we still have to negotiate within the overarching influence of the environment. For example, we know that Teaching is a hugely complex space, yet it is least rewarded monetarily compared to most corporate sector jobs. No amount of skillful maneuvering on our part will rectify this inequity in the short term, and it will continue to lure the brightest young minds away from academia and teaching.

In paying for 'capability' we are also attracting primarily those who have already had 'access' to the opportunities that made them capable. We strive to be mindful of that cycle and focus on learnability & intent rather than ready skills, providing then the necessary development inputs to level that playing field.

However, these dilemmas & challenges remain, and that is what gets us back to work every morning.

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ORGANISATIONAL JUSTICE IN HIGHER EDUCATIONAL INSTITUTIONS

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Introduction

Higher educational institutions play multiple roles leading to a nation's progress (Tsai, 2012). The third largest higher education system in the world belongs to India. By 2030, every fourth graduate in the world will be a product of Indian higher educational system (The World Bank, 2014). Education is the key to harness India's demographic dividend (Jaipuria, 2014). Though faced with challenges, Indian higher education system has expanded at a fast pace and has potential to attain excellence. Various factors play a role in attaining growth and quality in higher education. Faculty members form the core of any higher educational institution (Jaipuria, 2014). Tsai (2012) states that in the higher educational community, the core stakeholders are faculty members who are definers, gatekeepers of academic quality and excellence as they hold and fulfill responsibilities, take decisions and participate in the decision-making process and also are subject to decisions made by the higher organisational hierarchy that have economic and socio-emotional consequences leading to faculty behavioural and attitudinal outcomes which will influence the working climate in higher educational institutions. Thus, decision makers of higher educational institutions need to consider the perception that faculty members have towards the various aspects of their workplace starting from equitable distribution of outcomes, unbiased procedures and policies used and civility in interpersonal relationship.

Organisational justice

Greenberg (1987) coined the term organizational justice which is the concept that explains how an employee perceives the behavior of the organization and the study of the impact this perception has on the employee's attitude and behavior. Justice or fairness refers to the idea that an act or decision is morally right in terms of ethics, equity, law, religion, fairness etc. People are observant of fairness across various contexts in different situation in everyday life (Gopanzano & Stein, 2009). Similarly in an organization, superiors or decision-makers make decision and take action to get things done. An employee's perception of these decisions and actions as fair or unfair can influence the positively or negatively employee's attitude and behavior towards their work, decision-makers and organization (Barsky, Kaplan, & Beal, 2011). Perceptions of justice also impact many key individual and organizational outcomes such as motivation (Latham & Pinder, 2005), job satisfaction (Al-Zu'bi, 2010), lower turnover intention (Colquitt, 2001), commitment (Tyler & Blader, 2003; Patrick, (2012), need for control, self esteem and inclusion (Lind & Tyler, 1988), improved trust (Folger & Konovsky, 1989). Thus; fairness is of vital importance to the organisation. Justice in an organization includes issues related to fair pay perception, opportunity for promotion perception and selection procedures etc.

Moorman (1991) summed up three dimensions to justice in the workplace as distributive justice, procedural justice and interactional justice (which includes informational and interpersonal justice). Distributive justice focuses on decision outcomes and distribution of resources. Procedural justice refers to the fairness of the processes or means that lead to outcomes or ends.

Interactional Justice is the treatment that an employee receives as decisions are made and can be promoted or achieved by providing explanations for decisions made and delivering the news with respect and sensitivity (Bies & Moag, 1986). A construct validation study by Colquitt (2001) suggests that interactional justice should be divided into two components: interpersonal and informational justice. Interpersonal justice is the perceptions of respect and propriety in employee's treatment by superiors or authority figure while informational justice relates to the adequacy of the explanations given in terms of their correctness, timeliness and specificity.

Hassan (2002) research finding showed that both distributive and procedural justice factors made significant contributions to employee's organisational commitment and intent to leave. Alexander, Sheldon & Ruderman (1987) found that intent to leave had a stronger link with distributive justice than procedural justice. Rhodes, Susan & Steers (1981) found that distributive justice was more linked to organisational commitment. When outcome is perceived as unfair, distributive justice is more linked to employee concern for managerial decisions (Sheppard, Lewicki & Minton, 1992).

Organisational Commitment

Higher fairness perception creates in an employee a sense of loyalty to their respective organisation. This natural sense of loyalty leads to acceptance of organisational goals, working towards achieving it and taking pride and being involved as an organisational member (Hassan, 2002). Jawad, Raja, Abraiz & Tabassum, (2012) cited that organisational commitment showed significant direct relationship with job related satisfaction (Bateman & Strausser, 1984), attendance (Mathieu, 1990) and job performance (Meyer, Allen & Smith, 1993). Research has also shown linkage of organisational justice to organisational commitment (Siegel, Post, Brockner, Fishman & Garden, 2005) in organisations of different disciplines. The linkage of the two constructs in the educational sector are few in number with research by Zaman, Ali & Ali (2010) on private school teachers showing that distributive justice and procedural justice had positive impact on organizational commitment. In line with the above finding, a study by Najafi, Noruzy, Azar, Nazari-Shirkouhi, & Dalvand (2011) on educational experts of different universities reported higher commitment levels by the provision of organizational justice. Iverson & Roy (1994) reported the link between justice perception and attitudinal commitment which leads to behavioural commitment and decreased intent to leave.

Turnover Intention

Turnover intention is conceptualized as the probability of intentionally leaving the workplace in the near future (Price, 2001; Hom & Griffeth, 1995). The attitude of turnover intentions in an employee, if left unattended will result in negative consequences to the organisation. As cited in Oluwafemi, (2013), high turnover intention is linked to decreased work performance, job dissatisfaction, withdrawal from work (Grileth, Hom, & Geartner, 2000), tardiness, absenteeism (Johns,1997, 2001), poor organisational citizenship behaviour (Oluwafemi, 2010), low commitment (Samad, 2012), low work engagement, and invariably declining output leading to decreased overall organizational performance (Abbasi, Hollman & Hayes, 2008). Significant inverse linkage between perception of organisational justice and turnover intention has been established in research done by Hassan (2012). Therefore, identifying and dealing with the turnover behaviour can control negative outcomes of actual turnover. Roberta, Coulson & Chonko (1999) also found equity perception linked to organisational commitment and intent to leave. Hassan (2002) research findings showed perception towards equity are positively related to commitment and negatively related to intent to leave.

Need and Rationale

Teaching is a noble profession and needs profound dedication. In the ever changing world, education has become commercialized where there is a lack of commitment from the teachers' side and knowledge dissemination does not happen at the fullest level. Lack of commitment and higher turnover intentions leads to lack of enthusiasm and ability to sustain innovative and challenging pedagogical practices. Today's higher educational institutions suffer from floating staff population. The main reason can be attributed to the organizational justice perception of faculty. This needs to be addressed to ensure quality academicians in higher education. Review of literature shows there is a relationship of higher level of equity perception to positive employee and organisational outcomes. Inequity perception in the dimensions of organisational justice leads to negative employee and organisational outcomes. The current study tries to apply this relationship to higher educational institutions to investigate if the core stakeholders that are academic faculty members show higher level of commitment and lower level of intent to quit with varying degree of equity perception. This can lead to benefit the students and institution as they would be affected by a dissatisfied and frequent change of educators. There is also a pressure on these institutions to attain higher performance in all aspects (Nair, 2013). The student community and higher educational institutions depend on the expertise of faculty. If a faculty has to contribute and commit to their work place, there needs to be a higher level of satisfaction and perception of equity obtained from the various attributes of the workplace. In this context, the influence of perception of the distributive justice, procedural justice and interactional justice on faculty members' commitment and turnover intentions in higher educational institutions are studied. This study will enable authorities and decision makers to gain a scientific understanding of the current faculty perceptions and make appropriate strategies such that faculty members can be committed and where behaviours associated with turnover intentions can be identified and suitable interventions developed.

Methodology

Statistical Population and Sample

The elements of the working population included University affiliated and AICTE recognized private unaided college faculty members from Bangalore (study 1) and Kerala (Study 2) with a population size of 8785 and 366 respectively. Based on Krejcie & Morgan (1970) model, a respective sample size of 350 and 182 faculty members were randomly selected based on the sampling frame and surveyed. A response rate of 66.2% and 86.67% was obtained from the two samples.

Measurement Tools

Organisational Justice Scale, Niehoff & Morman (1993) was used to measure organisational justice which consisted of three dimensions and twenty items. The three dimensions are distributive justice (5 items), procedural justice (6 items) and interactional justice (9 items). All items were measured on a 7-point Likert scale from strongly disagree-1 to strongly agree-7 for study 1. All items were measured on a 5-point Likert scale from strongly disagree-1 to strongly agree-5 for study 2. The Cronbach's alpha obtained from the two samples were 0.831 and 0.95 respectively showing good reliability.

Turnover Intentions Scale was used to measure turnover intentions which consisted of six items. Three of these items were adapted from Shore and Martin (1989) and the other three were adapted from Simmon, Cochran & Blount (1997). Respondents were asked to indicate the extent to which they agree/disagree along a 5-point Likert scale (Strongly disagree-1 to Strongly agree-5). Items were presented to the respondents as a series of statements indicating the degree of occurrence of thought of quitting, searching for another job, and actually intending to quit. The Cronbach's alpha of this instrument was 0.87.

Organisational Commitment Questionnaire adapted from Porter, Steers, Mowday & Boulian (1974) was used to measure organisational commitment which consisted of 15 items measured along a seven point Likert response scale (Strongly disagree-1 to Strongly agree-7). The Cronbach's alpha obtained was 0.781.

Respondents Profile

Characteristics		Study 1(%)	Study 2(%)
Gender	Male	36.9	42.3
	Female	63.1	57.7
Age	<35 years	69.3	62
	>35 years	30.7	38
Marital Status	Single	23.1	24.1
	Married	76.7	75.8
Qualification	Masters Degree	56.4	64.3
	Research Oriented Degree	43.6	35.7
Tenure with current organisation	0-5 yrs	64	88.5
	5-10 yrs	12.9	7.7
	10-15 yrs	13.8	2.7
	15-20 yrs	7.6	1.1
	20-25 yrs	1.7	nil
Tenure of Total work experience	0-5 yrs	43.2	28.6
	5-10 yrs	24.4	17.6
	10-15 yrs	21.3	23
	15-20 yrs	9.3	15.4
	20-25 yrs	1.8	15.4

Results and Discussion

Objective 1: Perception towards organisational justice and its dimensions of faculty in higher educational institutions

Tabulation summarizing the means and standard deviations of college teachers' perception of organisational justice and its dimensions in higher education institutions in study 1 and study 2 is shown in Table 1.

Table 1 Perception towards organisational justice and its dimensions of faculty in higher educational institutions

Descriptive Statistics				
Variables	Study 1		Study 2	
	Mean	Standard Deviation	Mean	Standard Deviation
Overall Organisational Justice	4.02	0.86	3.35	0.78
Distributive Justice	3.6	1.27	3.22	0.94
Procedural Justice	4.2	0.96	3.38	0.82
Interactional Justice	4.1	0.91	3.48	0.79
Note: Study 1 uses 7-point Likert scale			Study 2 uses 5-points Likert scale	

In study 1, college teacher's perception of fairness of treatment received from their workplace was moderately positive (4.02) and in study 2, overall organisational justice perception was also moderately positive (3.35). A study of the similar nature done by Aslam & Sadaqat (2011) showed that perception of organisational justice among teaching staffs of the University of Punjab was moderately positive with a mean score of 5.16 on a 7-point Likert scale.

In study 1, teachers' perceived distributive justice which is their evaluation of fairness with reference to economic and socio-emotional outcomes was moderate (3.6). Procedural justice was fairly moderately positive scoring a mean value of 4.2 which depicts how faculty members perceived policies, process and procedures used in making decisions leading to outcome as consistent, bias suppressed, accurate, correct, representative, ethical. Interactional justices which includes consideration of faculty member's rights, treatment with respect and kindness, providing explanations and justifications for decisions was perceived moderately positive (4.1). In study 2, the mean score for faculty working towards perceived distributive justice (3.22), perceived procedural justice (3.38) and perceived interactional justice (3.48) was moderately positive showing that respondents were fairly satisfied regarding fairness of different aspects of outcome, procedures and interpersonal treatment from superiors.

In study 1, procedural justice was perceived the highest (4.2) followed by interactional justice (4.1) and least being distributive justice (3.6) in higher educational institutions where a proper channel of communication is designed and followed mostly justifying the resources allocated. For higher educational institutions in study 2, we find that interactional justice was perceived highest (3.48) followed by procedural justice (3.38) and least being distributive justice (3.22) where a humanitarian and sentimental society mostly influences kinsmanship and authority-reportee relationship to be perceived as respectful and civil.

Objective 2: Level of organisational commitment in study 1 and turnover intentions in study 2 of faculty in higher educational institutions

Table 2 Level of organisational commitment in study 1 and turnover intentions in study 2 of faculty in higher educational institutions

Descriptive Statistics				
Variables	Study 1		Study 2	
	Mean	Standard Deviation	Mean	Standard Deviation
Organisational Commitment	4.46	0.92	2.51	0.84
Turnover Intentions			2.51	0.84
Note: Study 1 uses 7-point Likert scale			Study 2 uses 5-points Likert scale	

In study 1, it was found that faculty members' commitment to their institution was fairly high (4.46) which is an indication of the strength of faculty members' identification with and involvement in their institution is fairly high and that they exhibit a positive attitude and are bound closely towards their institute.

In study 2, it was found that the level of intention to leave the organisation was moderately low (2.51) indicating preference to continue with their institution mostly due to various factors related to demographics such as location, marital status, age, gender, family commitment and organisational behaviour factors such as job satisfaction, motivating and supporting work environment, comparitatively better pay or other benefits, better relationship with superiors and colleagues, perceived fairness in workplace, difficulty in readjusting to new work environment, limited other chances of employment in same industry.

Hypothesis 1: There is no significant relationship between organisational justice with organisational commitment in study 1 and organisational justice with turnover intentions in study 2.

In study 1, the value of Pearson's correlation, $r = 0.47^{**}$, $n = 350$, $p = 0.00$ showed a significant positive correlation with organisational commitment at Sig. <0.01. It was also observed that interactional justice ($r = 0.48^{**}$) was more positively correlated than distributive justice. Distributive justice ($r = 0.39^{**}$) was more positively correlated to organizational commitment compared to procedural justice (0.35^{**}).The role of the type of interaction and communication between the employee and reporting authority is the basis of positive perception towards the organisation. In study 2, the value of Pearson's correlation for overall organisational justice ($r = -0.29^{**}$, $n = 182$, $p = 0.00$), distributive justice (r = -0.28**, n = 182, p = 0.00), procedural justice (r = -0.25**, n = 182, p = 0.00) and interactional justice (r = -0.28**, n = 182, p = 0.00) showed significant negative correlation with turnover intentions at Sig. <0.01. Distributive justice and interactional justice were more negatively correlated to turnover intentions than procedural justice. Whatever the process exercised or amount of resource allocated, if respect, helpful intentions and concern is there in communicating while running the process or allocating resources it influences individuals more positively. This is in support with the opinion of Levinson (1995), Skarlicki & Folger (1997) and Greenberg (2006) that interaction justice is more linked to positive outcomes in individuals and organisation.

The null hypothesis is failed to be accepted and the alternative hypothesis: There is a significant relationship between organisational justice with organisational commitment in study 1 and organisational justice with turnover intentions in study 2 is supported.

Hypothesis 2: Organisational justice does not significantly influence organisational commitment in study 1 and turnover intentions in study 2.

In study 1, organisational justice and its dimensions significantly influenced organizational commitment at Sig. <0.01. Interactional justice explained 25% (R^2 = 0.25) of the variation in organizational commitment of faculty members. Distributive justice and procedural justice together explained 24% (R^2= 0.24) of the variation in organizational commitment of faculty members. In study 2, it was found that the dimensions of organisational justice did account for variance in turnover intentions at Sig. <0.01. Of all the three dimensions, distributive justice contributed more influence on turnover intentions. Distributive justice explained 8% of the variance in the dependent variable (R^2=0.08, F (1,180) = 15.45, p<0.01).

Lower perception of the dimensions of organisational justice is stressful but there is a buffering effect or moderating influence when interaction justice is higher, compensating for decreased level of perception towards distributive and procedural justice (Greenberg, 2006). Research finding by Elamin & Alomain (2011) also found comparitatively higher perceived interactional justice in the workplace. Study 1 was done in a context many times higher in workforce diversity than study 2 where the workforce speak in terms of the yin-yang and reciprocity concept. This leads to a slight difference where perception of distributive justice was higher and interactional and procedural justice was not highly considered to influence employee outcomes. Research findings of Findler, Wind & Barak (2007) found significant linkage between diversity on fairness perception and fairness perception on employee outcomes.

The null hypothesis is failed to be accepted and the alternative hypothesis: Organisational justice does significantly influence organisational commitment in study 1 and turnover intentions in study 2 is supported.

Suggestions

Organizations should take effort or implement measures in the workplace to further increase perception of fairness among the faculty. This study empirically indicates that faculty members perceive only moderate fairness from the educational institution in terms of distributive, procedural and interactional justice. Procedural justice can be increased by ensuring that decisions are made in an unbiased manner. Before making decisions the institution needs to collect accurate and complete information. Decisions taken need to be applied consistently across all affected faculty and departments. Distributive justice can be increased by fairly rewarding faculty members considering the responsibilities they have. Institutions must also take into consideration the stress and strains of a teaching job and introduce suitable reward mechanisms. Procedural justice can be increased by ensuring that teachers concerns are heard before job decisions are made. Provisions for clarifying decisions and providing additional information when requested should be available. Faculty should be allowed to challenge or appeal job decisions made by the institutions. Interactional justice can be increased by ensuring that when decisions are made about faculty's jobs, they need to be treated with kindness and consideration. Teachers need to be treated with respect and dignity, by being sensitive to their personal needs. Decisions should be made transparent and adequate justification and explanations should be provided to them. Educational institutions can prepare a staff handbook and distribute it to the teachers. Handbook should contain norms for promotions, rewards and various procedures.

Procedural justice was observed to be higher than distributive justice which indicated that there are systematic procedures available but it is not applied to all uniformly. Therefore, organization should be careful to maintain an unbiased treatment to the faculty. Faculty relevant decisions should be notified in advance. It should ensure that faculty are adequately explained and convinced before implementing any decision. Faculty should be involved in the process of gathering information for decision making. Promotions and rewards should be given to all deserving across gender, designation and department unbiased.

In a study conducted on academic faculty regarding wage dispersion by Pfeffer & Langton (1993), when wage dispersion or difference was high, there was lesser satisfaction and performance as well as lesser colleague collaboration. The purpose of rewards system is to achieve increase satisfaction and performance as well as group cohesion. Equity distribution boosts group harmony but high performing and rare-skilled faculty find higher paying teaching posts elsewhere so it is not a good solution. Thus, lack of distributive justice can be partially compensated to a large extent by using procedural justice whereby administration of pay is viewed as fair (Sweeny & McFarlin, 1992). When procedural justice is viewed as high, employees experience higher organisational commitment and lesser turnover intentions and a positive approach to their superiors. Thus, educational institution can go for a model explaining the underlying approach that when faculty are not satisfied with their pay are less unlikely to leave the organization when they view that there is a higher level of procedural justice. Interactional justice concept can also help in administration of pay (Greenberg, 1987). This is also a remedy in case of conflict resolution and in situation asking faculty to leave due to various reasons. Folger & Cropanzano, (1998) research findings gives an explanation-If you can't give people the outcome they want, at least give them a fair process.

Limitations and Scope for further study

Government and aided Colleges are not included in the study. Study 2 include mostly business school faculty. Further research can be done on the sample to identify other factors that directly or indirectly increase or mediate the role of organisational justice.

Conclusion

Fair treatment is an expectation that faculty have from their organizations as they invest their time and energies in teaching. These expectations bring with them an increased concern for educational leaders to focus on how fairness is perceived by their teachers (Patrick, 2012). Faculty members' level of motivation to a largely is a response to the way they are treated at work with respect to distributive justice, procedural justice and interactional justice. The results of this study provide considerable insight into teachers' perceptions of fairness that promote teachers' affective responses. The existence of any educational institution is justified by the quality of education that it imparts to its students. The quality of education depends on the dedication and commitment of the teacher. Teacher's commitment is improved by the institutions fair treatment. The fruits of such positive perception of organizational justice by teachers do lead to higher commitment, citizenship behaviour, productivity, job satisfaction, and lower intent to quit and tardiness. Therefore, college authorities should ensure that there is a perceivable fairness/justice prevalent in their institutions.

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ORGANIZATIONAL JUSTICE IN THE CONTEXT OF DOWNSIZING: A CASE BASED STUDY

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Introduction

During economic downturn, downsizing or laying-off becomes a tool for organizations to manage costs and regain profits. However downsizing has also begun to describe the contemporary development of permanent job cuts motivated by an effort to improve operating efficiency, not necessarily because of declines in business (Cappelli, 2000). How downsizing is done significantly influences the perceptions related to organizational justice. In this paper, we explore the organizational justice dimension to downsizing. We present three case studies of downsizing, demonstrating comparison between poorly done layoff and more humane layoff, experienced in person by the authors and present a model which describes how layoff decisions impact organizational justice perceptions.

Literature Review

Organizational Justice

Organizational Justice is defined as the extent to which people perceive organizational events as being fair

(Colquitt and Greenberg, 2003). Colquitt et al. (2001) has alluded to three dimensions of justice: Distributive justice, Procedural justice, Interactional justice (consisting of Interpersonal justice and Informational justice). Distributive justice (Adams, 1965; Leventhal, 1976) concerns itself with the fairness of the outcomes of the decision while Procedural justice (Leventhal, 1980) is about unbiased criteria used and the right process followed to arrive at the result. Interactional justice (Bies and Moag, 1986) focuses on the importance of the quality of the interpersonal treatment people receive when procedures are implemented. Interactional justice can be seen as consisting of Interpersonal justice and Interactional justice (Greenberg, 1993). Interpersonal justice reflects the degree to which people are treated with politeness, dignity, respect by authorities or third parties involved in executing procedures or determining outcomes and Informational justice focuses on the explanations provided to people that convey information about why procedures were used in a certain way or why outcomes were distributed in a certain fashion (Colquitt et al., 2001).

Organizational Justice in the context of Downsizing

The manner in which the downsizing occurs provides important information about the trustworthiness of the organization in the eyes of the employees (Skarlicki and Kulik, 2004). The management has to take care of the dimensions of justice in order to alleviate the grievances which could eventuate as a result of downsizing.

Several researchers have examined how different dimensions of Justice: Distributional, Procedural or Interactional are perceived to be important to by employees. Spreitzer and Mishra (2002) reported that positive perceptions of procedural and distributive fairness during downsizing enhanced the long-term commitment of survivors, and reduced their turnover intentions. In relation to Interactional justice, Konovsky and Folger (1991) surveyed downsizing victims and found that both the manner of communicating the layoff decision and providing advanced notice of the layoff were positively associated with victim's reactions to the downsizing. Brockner et al. (1994) found that advanced notice and explanations regarding the downsizing were positively associated to trust in the organization. Kim (2008) has examined the role of Informational justice in the Wake of Downsizing from an Organizational Relationship Management Perspective and found significant support.

In their meta-analytical review of fairness and organizational commitment after downsizing Dierendonck and Jacobs (2012) identified three moderators of the fairness–commitment relationship - procedural

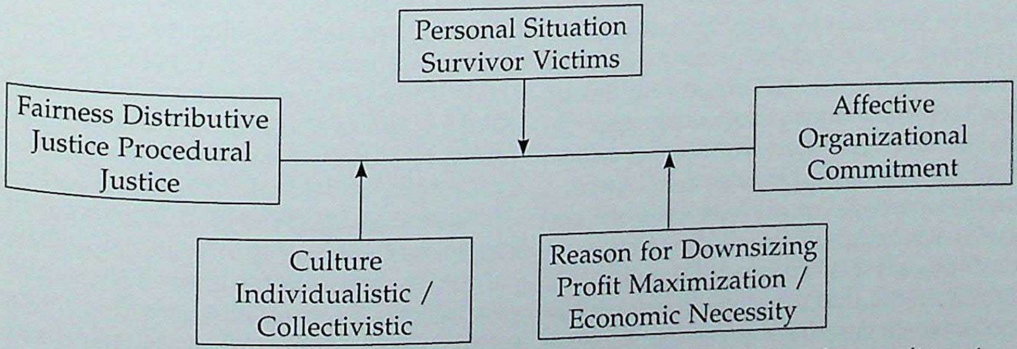

Figure 1: Conceptual Model of fairness and affective organizational commitment after downsizing (Adapted from Dierendonck and Jacobs (2012)

justice matters more than distributive justice; the impact of fairness is stronger in countries with an individualistic (versus collectivistic) culture and fairness matters more when mass layoff is initiated for profit maximization (versus economic necessity). They summarized their result in the form of a conceptual model which is shown in the figure 2.

In the next section of the paper, we provide brief descriptions of three layoff experiences which we have categorized as the Ad hoc approach, the Methodical approach and the Humane approach. Through these cases we explore the justice dimension of downsizing. We then discuss our reflections and draw implications for organizations.

Case 1: The Ad hoc Approach

The second author was on his first job when he encountered layoff for the first time. Tony, his colleague and well respected peer was around 50 years of age, he was of the old school, traditional, values family and was broad minded. At work he was very helpful, shared his experiences, and helped the team members understand the systems and processes. He had developed a knowledge repository which he shared with the author. Tony always had positive feedback to offer about work. As the author narrates "one day my manager informed me that this is Tony's last week and he has been let go. For a minute, I was taken aback, I knew I would replace Tony and that is why I was given this additional training but I did not know that this replacement came at Tony's cost. Seeing me perplexed, my manager then explained to me that Tony was working on a dead end job and since I was already working on projects, it made more sense and Tony was asked to take VRS (Voluntary Retirement). Up until then I thought VRS is something that people take voluntarily, courteously ordering them to take VRS was a first for me. The reality of the situation hit hard to me, the next day to face Tony was a tough ask. Somehow I mustered the courage to bring the topic of his VRS, and suddenly saw a pensive look on his face. I could not sit there much; the idea that I was responsible to take one's job away was hard to swallow, especially at the age of 23. I was worried for Tony, how long the VRS money will last? What he will do post his job? How easy it is to find another job, given his age? Why can't the company find something else that suits him? For the next few days I avoided the topic. On his last day I thanked him for everything – his unconditional support, I was trying to make up for his loss through words, the least I could do."

Case 2: The Methodical Approach

Laying off employees results in breach regarding justice perceptions within an organization. The second author interviewed several employees who had been laid off during the recent recession. In one of the interviews the manager narrated "The organization decided to implement the bell curve very strongly and they mandated all of us to have 10% of our employees as Well Exceeds Expectations, 35% as Exceeds Expectations, 35% as Meets Expectations and the rest as Needs Improvement. We were told that we needed to evaluate the bottom 20% as Does Not Meet Expectations and to prepare ourselves for future layoffs. I had a team of 22 technical persons who were all carefully selected and were considered to be future leaders. How could I do an evaluation of this kind? I argued with management and I was told that this was the mandate from HQ. They were anticipating many rounds of lay off at the HQ. Finally, I had no choice, but to give Needs Improvement to 5 engineers. Within four days, there were 11 resignations. One of the senior architects who had an outstanding rating asked me "if you could rate technically proficient engineers who had delivered in the past with a poor rating so easily, clearly the organization has no value for us. I have no reason to complain, but I do not believe any more that the ratings reflect my performance. There is nothing that gives me confidence that in the next appraisal, I will not be given a poor rating". The department lost 16 employees in three months and there were not enough employees any more to layoff and three years later, the organization is facing challenges in scaling up technically.

Case 3: The Humane Approach

The second author was associated with an organization where the layoffs were done in a near text book fashion. The Managing Director of the company announced that given the economic conditions and the prior performance of the economy, it was necessary to reduce 12 % of the employees. The criteria on which the layoff would be done were also announced. All the divisions where the layoffs were done were already experiencing difficulty in customer acquisition. Employees were aware of the difficult situation. There were prepared for changes.

Several key managers who enjoyed high trust and credibility in the organization were identified to champion the process. There were six senior leaders who were going to be laid off. They led the lay off process within their own units. The manner in which the Managing Director was available at all times for any query. The layoff packages were generous and healthcare coverage was provided for significant others of the laid off employee for three years. This was particularly important for several mid-career and senior employees who had elder care responsibility. Employees were given between three to six months to leave. The employees were given good reference and were also offered outplacement opportunities. Communication was consistent across levels and a task force comprising of key leaders managed any grievance that was expressed by the employees. Existing employees were met by managers and the organization had a life counsellor available on call for employees who were expressing stress.

Discussion

Triadic Phenomenon of Downsizing

Layoff is not merely dyadic exchange between the organization (management) and the laid off employee (victim). It also affects the employees who survive the layoff (survivor). On one hand the victims, in addition to losing their jobs, experience lack of trust, low morale, reduced self-efficacy and self-esteem, and increased stress (Kozlowski et al., 1991; Uchitelle and Kleinfield, 1996) and on the other hand the survivors grapple with job insecurity, perceptions of unfairness, stress from the increased workload, and loss of loyalty and commitment (Buch, 1992; Brockner et al., 1985a, b, 1987, 1992, 1995; Brockner and Greenberg, 1990; West, 2000). The second author was a survivor in the first case. He felt deceived by the organization. The approach adopted by the management was perceived to be ad hoc and unfair. To an extent he even blamed himself for the layoff of his senior colleague. It affected his self respect and his social ties with a fellow co-worker.

The managers driving this process are also mostly aware of the social responsibility that is falling on their shoulders and are also very sensitive to the potential for unfairness. (Dupuis et al., 1996; Brahma, 2001).In the second case which we describe as the methodical approach, the author presents the experience of a manager who has executed a layoff. It is evident from the case that the manager was sensitive to the expectations of the employees but really couldn't do anything because it was what he called a mandate. The engineers who were rated as Needs Improvement were asked to leave. Even the survivors became distrustful of the organization's policies and started leaving. It led to such

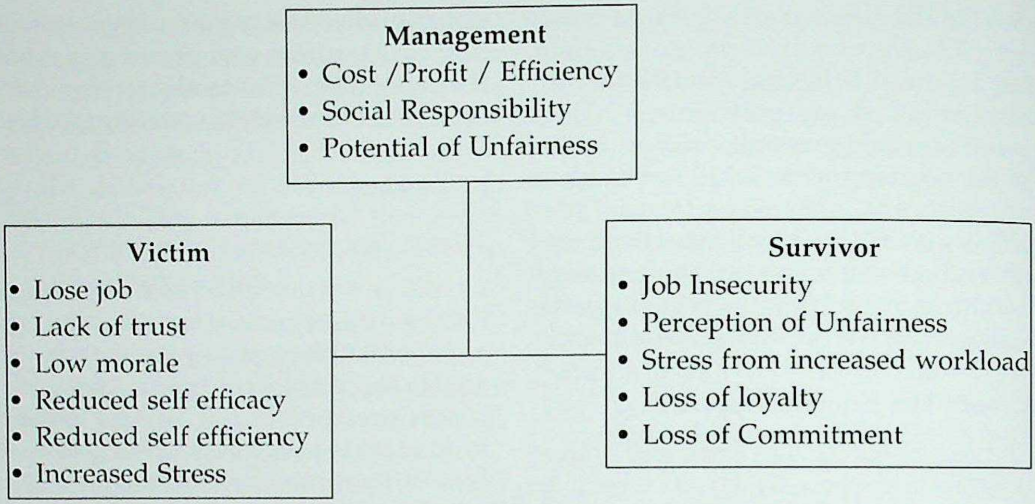
Management
• Cost /Profit / Efficiency
• Social Responsibility
• Potential of Unfairness
Victim
• Lose job
• Lack of trust
• Low morale
• Reduced self efficacy
• Reduced self efficiency
• Increased Stress
Survivor
• Job Insecurity
• Perception of Unfairness
• Stress from increased workload
• Loss of loyalty
• Loss of Commitment

Fig 2: The Triadic Phenomenon of Downsizing

a hard situation that when the organization wanted to scale up, there were not enough employees.

The Dimensions of Support and Method in a layoff

On the basis of the literature review and case descriptions we realize that both Methods followed to execute the layoff and Support during and after the layoff are important aspects for all three stakeholders of downsizing - management, survivors and victims. The first case is a classic description of an Ad hoc approach. The method used to take the decision of a layoff is cursory which is evident when the manager says that Tony is working on a dead end job and the even the support provided in terms of VRS seems offhand. The second case, which appears to be high on the method dimension by ways of ratings, is low on support both during and after the execution of layoff. The support in terms of feedback or giving an opportunity to actually make an improvement is lacking. Manager follows the method but ends up generating distrust and insecurity amongst the survivors which result in the loss of more and more productive workforce. The third case which we describe as Humane is high on both the Method and Support dimensions. The managing director gives a rationale for the layoff and also announces the criteria on which layoffs were decided. It helped the employees prepare themselves for the difficult situation. Good references, outplacement opportunities, life counselor's help, generous layoff packages, healthcare coverage and 3-6 months of notice were important components of support. The most important role was of authentic and consistent communication which took care of any misalignment taking place during the process and which supplemented the role of both Support and Method in the process of layoff. The approaches as described in the cases have been summarized in Figure 3. Although none of the cases explicitly talk about the box labeled Patronizing in Figure 3, we hypothesize that even if the support is very high as in the third case but if the criteria adopted or method followed by the organization is unfair or low on efficacy, the stakeholders will not be content, they would rather think that the organization's attitude is patronizing and it could be detrimental to their self esteem and their commitment to the organization.

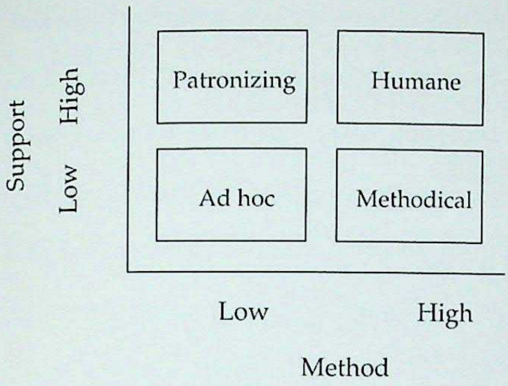

Figure 3: The Dimensions of Support and Method in a Layoff

Conclusion:

Layoffs involve communicating a very negative decision to those who have lost their jobs and the nature of this communication can impact not only the reactions of the laid-off victims, but also attitudes and behaviors of those who survive the layoff (Konovsky and Brockner, 1993). Managers also are important stakeholders in the layoff process and even they undergo lot of stress during the execution and planning of a layoff. It is therefore important to be mindful of the dimension of justice in situation of a layoff in order to allay the negative feelings generated during the execution of a layoff. Method adopted to effectuate a layoff and support provided during and after the execution of a layoff are very significant dimensions of the downsizing process. They shall be administered with concern so that the perception of justice is positive and constructive. It will help the organization to tread on the difficult times with grace; victims to exit with dignity and survivors to trust the organization they work for.

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FAIRNESS IN ORGANIZATIONS – THOUGHTS AND PERSPECTIVES

BIMAL RATH

About the Author

Bimal Rath is the founder and Managing Director of Think Talent Services, a boutique firm specializing in leadership development, talent management and culture transformation. Bimal has over 23 years of experience in different industries, across geographies including the USA, Middle east-Africa and APAC. His last corporate position was as HR Director for Nokia-Asia Pacific, supporting and enabling the massive growth for the company.

As a practicing manager for many years, and in a variety of HR roles, issues of fairness and equality often came up for discussion. The concepts of equality, fairness, justice and personal/ organizational values have a complex relationship and each is difficult to define in isolation. However, the 'feelings' associated with it are quite clearly spelt out—'it does not seem fair' or 'I feel I have been treated unfairly etc.'. Speaking in application terms seems a more appropriate way to understand the concepts therefore, rather than discuss them in a more abstract method.

One of the other aspects to be considered is that while fairness when seen as a value is universally applicable, in organizational terms, there is a natural contextualization that is likely to happen. Decision makers in organizations have limited resources to deploy and have to choose how best to dedicate those, often based on short term objectives. What this would mean in practice is sometimes making choices between people (say a higher increment), choosing between rewarding an individual and team (either may feel that both or the other should be done), sending one less talented employee to a course based on job role (other more talented employees may see this as an unfair investment) etc. It will largely therefore boil down to contextual decision making in the real world on a daily basis.

Fairness and Equality: Many organizations use the bell curve as a tool to classify employees by performance levels during the performance cycle. While debatable, experience shows that a large number of employees always feel unfairly treated. What employees are saying is that the system is unfair because it does not take all the data and perspectives into consideration—i.e., my side of the story is not fully understood. It is also suffering in comparison to others who may be rated higher so there is a sense of not being treated equally. However, it is important to note the language "the system is not fair" or 'my manager is not fair". The onus of fairness is on the decision making method or person.

As a basis of decision making therefore, here is one way to look at it. Fairness assumes that all the data points, perspectives and views/ opinions have been considered before choosing a way forward. Unfairness is felt when this does not happen, or is seen as not happening over time.

Fairness would also mean using the same standards for everyone. Equality is in relation to someone. In terms of real practice, if one uses the same yardstick, organizations would always choose the more meritorious person for a job (say in recruiting or promotion). As long as the same standards are applied to all the possible candidates and all available data points are considered, it is fair. At the end of the process however, some people will be by design less equal to others – lower grade, not being selected etc.

It is important to ensure that the process and system is seen as fair. As an example, organizations have promotion or talent committees (as against leaving it to individuals only) and deep and thorough data preparation methods before the committee meetings to ensure as much fairness as feasible. It also ensures minimizing of individual biases and a wide variety of views and opinions to be available on the table before making decisions.

Fairness and Justice: Justice is a very personal subject and closely linked to personal values. For example, take a code of conduct violation of a minor nature in an organization. What should be the quantum of punishment? How public will we make the violation and the punishment? Some people would feel 'forgive and forget' is the right thing to do, maybe with a minor reprimand. Others would feel that the punishment should be public and strong enough to make an example for other people. So what would be just for the person and the system?

Organizations therefore will need a method and a way/ set of guidelines to be able to decide. This would depend on what values the leadership would want to live by. It will almost always be the case that there will be individuals within the organization who will not agree with the way chosen, if their own sense of what is "just" depending on their values does not match with the organizational values.

Having said that, good organizations endeavor to be consistent, applying the same rules over time. Then the process is seen to be fair because of same standards being applied in all cases. Challenges happen when for a variety of reasons (say the violator is a star performer), the yardsticks tend to change for decision making. Then the organization and the process would both be seen as unfair. The person concerned may though feel that justice has been done, based on his/ her viewpoint and values (for example: I give so much of sales to the organization and work really hard. So what if there is a minor violation, it is ok for my bosses to overlook it).

The other aspect organizations need to think about is the aspect of communication of values and ways of doing things in real situation terms and not in abstraction. 'This is what we have done in such and such situation, and we will again do it if a similar situation arises'. That often determines the consistency of decision making cascading across the organization, adding to a sense of fairness.

Individual decision making and fairness: Organizations are made of people. Employees look up to leaders to frame policies that are fair and implement them without exceptions (of course, when self-interest is involved, personal stands could vary!). The nature of organizations though asks for exceptions, given that resources are limited and need to be used judiciously. At a managerial or leadership decision making level therefore, it is important to be seen as impartial, practicing fact based management and following the organizational guidelines consistently and upholding the agreed standards.

But human beings are fallible and individual biases will always creep in. Good leaders are aware of their own biases as well as other people's biases. They also recognize that organizational decision making allows limited time and resources. The answer lies in therefore deep listening and appreciation of all the views and data sets before deciding, as also involving several stakeholders so that biases are minimized.

Leaders are supposed to spend enough time on debating courses of action when an organizational value comes into question. They recognize that any course of action which is taken will define how the organization is viewed by employees as well as other stakeholders. Ultimately, if fairness is a value for the leader himself, it becomes easier. Leaders with inadequate listening and patience often miss out on data and views, leading to unfairness.

Individual leaders have built strong reputations for fairness and justice by dealing with patience and understanding of all stakeholder views, at the same time with a deep sense of living by organizational values. People trust them even more than the organization, and these role models can further the culture and fabric of the organization in a meaningful way.

Organizational Perspectives and culture issues: Take the case of an organization wanting to drive gender diversity. It asked headhunters to specially look for female candidates. It also enhanced the fee for headhunters should a female candidate be chosen. Internally senior managers were asked to shortlist at-least 33% women candidates from the shortlist provided by headhunters and the internal candidates put together. One of the views was that it is a fair process since 66% were still men, and in any case the final selection committee would chose purely on merit.

Another view was that by incentivizing headhunters and forcing managers to stick to a quota, there was disservice to other men candidates who may have been otherwise on the shortlist at both stages.

Interestingly, women in the organizational leadership felt that the system would promote a view that women candidates had unfair advantage, and therefore even capable women would over time lose respect as they would be seen as a product of the quota system.

While the organization finally decided a course of action, it was not necessarily fully acceptable to everyone. However, the organization was clear that there was a short term need to encourage gender diversity actively for business reasons and so steps needed to be taken, communicated and reviewed periodically for effectiveness. The question of fairness and equality came into serious debate in this case.

Such decisions would also go a long way in determining the culture of the organization. Is there a hearing of diverse views and a concrete way forward through consideration of all the views? Are the diverse views just shut up by senior management? Is there enough commitment to communicate transparently and consistently by senior management? Is there a periodic review and course correction if required, and with acceptance that something has changed?

While the example is a people related one, there are similar examples of policy direction in many areas, say external partner dealing. For example, a long term partner –vendor/ dealer- being separated can be seen as unfair by other partners as well as employees unless there is a clear communication and logic, and a due process followed.

Fairness and the person: As someone said, over the development of the human being, we have developed a fairly strong sense of what is fair or not. As long as an issue is not too close to us, we are likely to take a dispassionate view. In movies, stories, public life and financial scandals, people are able to see what is fair vs unfair, and which characters are being unfairly or over-fairly treated. The voice of conscience and basic common sense very strongly advocates for fairness. At the core, human beings are the same and similar feelings and emotions drive them.

However, when it comes to self-interest, other aspects take over and judgment can be impaired. When it is me and mine, application and interpretation of rules can change unless the core values of a person are strong enough to be able to take a very dispassionate view, even at a detriment to oneself in the short term.

Organizations therefore need to recognize the nature of self-interest in all human beings, and ensure adoption of appropriate processes through strong governance mechanisms. It still not does not rule out gaps at implementation levels, as all of us would have experienced. However, minimization of biases and an increased objectivity can be achieved, if still not perfect.

End Note: The core value of fairness is almost in-built in the human DNA and talented and strong leaders understand this. They tend to be attracted to organizations which promote this value. They also tend to groom other leaders who align to this thought. It is almost as if this is non-negotiable. For organizations to promote fairness as a way of doing things over time a few actions may be warranted; some of these could be:

- Clearly spelling out the organizational values and ways of doing things.
- Encouraging employees to speak up, gathering and working through a variety of views in deciding policies, procedures and systems.
- Training/coaching managers as they grow up on decision making and the intangible aspects of it, especially the implications on people.
- Mentoring key leaders through senior role models who are seen as 'living the values' in the organization to create the next leadership pipeline carrying on the fabric of the organization.

As research of organizations which have sustained over the long term (100+ years) shows, a strong sense of living by the values is an essential ingredient into the sustainability of organizations. Given that fairness is a deeply held human value, it becomes almost imperative that this figures in the way of doing thing if organizations want to be profitably sustainable. There is enough evidence that organizations seen as fair to employees, as also to other stakeholders, have better chances of sustained success and growth because of the communities they will create, support and enhance. This includes shareholders, business partners, society and the environment.

> *"Looking for equality everywhere is a huge mistake because equals are terrible and boring. But a sense of fairness and justice is a totally different thing and a much more complex thing."*
>
> *— Josh Homme,*
> *Musician from*
> *Queens of the Stone Age*

ORGANIZATIONAL FAIRNESS IN PRACTICE

SMITA SAHA

About the Author

Smita Saha is Vice President – Human Resources at AstraZeneca Pharma India Ltd. She is an HR leader with over two decades of experience with large multinational companies across industries. Smita is an HR strategist and has extensive experience in coaching global leaders, mentoring women professionals, building organization cultures and leading acquisitions. Her special interest is in how to succeed in a matrix organization and building fairness in organizations. Smita speaks on these, and other HR subjects at various industry and student forum. She is an alumus of Tata Institute of Social Sciences, Mumbai.

A few weeks back, I received a call from Shalini, an ex-colleague. She wanted to meet over coffee to discuss something important. I was a bit surprised as she was a busy professional and a new mother with little time to socialize outside work. So this must be important, I thought.

We met in the evening and after initial greetings, she suddenly started to cry. She told me she had resigned from her job earlier in the day. And I was shocked. For Shalini had always been serious about her career and was recognized as a strong performer. She was working at a reputed MNC as a functional leader. What was really baffling was that she had just rejoined the company earlier this year after a short maternity break.

On probing further, Shalini said she was utterly disgusted with the organization for treating her differently after her maternity break. In Shalini's view, she had been careful about not bringing her 'baby issues' to work, but her manager still believed that somehow her commitment levels had 'changed' following her maternity break. She shared specific instances of how she was treated differently in comparison to her colleagues and in comparison to the past. In the end, she had resigned from the company where she had built a career for the last five years.

After this meeting, I have been thinking through Shalini's story, and specifically the instances where she felt she had been treated in an unfair manner. Some of them were clearly unacceptable; on the other hand, I felt some instances were not that obvious. However, in Shalini's collective experience, she had bunched them along with other unfair treatments.

We know that many organizations have "fairness" as a core value or cultural belief and they do everything possible to build fairness in their organization processes and day-to-day business. If the concerned parties perceive that they are treated equally, within the defined policy framework, then it is fair, otherwise it is not. In Shalini's example, she has correlated the instances, drew comparison with others, before concluding that she had been unfairly treated. If that is the case, then her reading of 'truth' is going to be tough to change.

Why should organizations pay the highest degree of attention to ensure fairness?

Prior to February 2014, who would have imagined a company like WhatsApp with 55 employees being valued upwards of US$19 billion? Today's workplace has its employees as the most valued asset. All these employees are unique and driven by their emotions and set of individual values. They continuously strive to give their personal best to help the organization meet its goals. And in return they expect the organization to give its best to them as individuals. In the process, the parties in this deal always remain in an evaluation or judgment mode. Is there a balance between what I am giving versus what I am getting in return? The moment one experiences instances of the organization being unfair it has an impact on one's behavior and attitude to work. And, importantly, a series of such experiences can have an impact on the employee-organization relationship (employee engagement level) of the employee, leading to measurable impact to the achievement of business goals.

Research based on the annual study of the best workplaces in the 'Great Place to Work' research shows that great workplaces have positive employee perception about fairness that sets them apart from the rest.

Some questions to consider about fairness in an organization

Who is responsible for fairness in the organization?

HR function? Business leaders? CEO? Is it an objective or a Key Performance Indicator (KPI) to be quantified? For any employee, the first level manager is the most important person in the organization. The employee experiences the organization through day-to-day interactions with this first line manager. Consider a common situation we have all faced about performance rating escalations. The employee says the manager has informed him that he was given a higher rating that was moderated down by a senior manager, which, in turn, was impacting the salary increase, promotion, career, and more. We usually identify these as examples of 'poor managerial capabilities' and try to address it through various management development programs. But what of the employees who faced this? In my experience, such situations lead to loss of trust on the organization; employees soon get emotionally disconnected from the enterprise, which has many possible longer-term impacts. From disinterest to stretch to loss in productivity – and even attrition. So clearly the role of the first line manager in reflecting fairness in an organization cannot be underscored more.

How does organizational fairness translate?

Many organizations call themselves 'equal opportunity employers'. But barring a few, the generational and gender statistics of their hiring do not really reflect this. And anecdotally, we would all know of an example of someone who may have lost out on a promotion or gained a promotion, thanks in due to the so-called equal opportunity programs. The intent of creating an organization with 'equal opportunity' is, without a doubt, noble. But what of the employees who have seen performance processes work 'differently' due to these programs? Building fairness is about showing actual proof and not just an expression of intent. Employees are smart and expressive and they can differentiate between a genuine intent converting into reality that touches their lives and just a mere checklist exercise.

How does equality or fairness reflect in the performance evaluation process?

One of the most common escalations in the matter of performance ratings is the eternal debate of recognizing effort versus results. Nowhere is it more evident than in a sales organization when two sales reps achieve the same sales number. Does this translate to the same performance rating or should there be room to recognize the efforts put in by a person to achieve those numbers. How do you recognize someone who has worked against heavy odds to achieve a sales number as different from someone else who has achieved the same numbers by being 'in the right place at the right time' and with fewer individual value additions? In such situations, both the manager and employees might have strong logic to support their points of view. And the decision would be termed as 'fair' only when the concerned employee is fully convinced of the reason for his individual performance rating. This is possible when the manager and employee have been continuously engaged in performance coaching exercise throughout the year, wherein they discuss performance and effort gaps.

The learning here is that fairness in the performance review process can be built with focus on two aspects - consistency and transparency. Many organizations use the SMART goaling framework to avoid year-end complications. This approach involves setting goals that are specific, measurable, and realistic. The framework also specifies who will do what and in what kind of timeframe. Further, where there is a large number of employees engaged in similar role, (e.g., sales reps), it is popular to use a goal sheet that sets down similar goals for the same role. Of course there will be some differences to reflect the territory (or other well understood business variances), but these need to be clearly discussed and agreed upon with the employee concerned.

Another useful framework is to broaden the evaluation to include feedback from important stakeholders as well. This is especially useful in roles where there is a wide range of stakeholders or customer expectations to be considered (e.g., project delivery roles). Not only the manager, but also these stakeholders or customers would have a view on the performance and delivery of the person concerned. It is important to involve them and seek their feedback to ensure a balanced view of performance and bring in credibility and fairness.

And finally it is helpful to have some checks on the process itself, so the process happens the way it should. A quick review and comparison of the decisions around promotion and distribution of performance rating across the organization along various business parameters and demographic indicators is an excellent practice to build consistency and get a view of how it is working across the organization.

Will rewards and recognition ever be viewed as fair?

That's an existential question. Let's reflect on situations we may all have faced at some point. When reviewing the list of employees to be recognized at the annual awards, we often come across the names of not only the top-rated employees for the year but also a significant number of 'others'. These are employees who may be viewed as 'crucial' for various other factors. And, on occasion, a few top-rated employees for the year may be skipped in favor of some employees in the 'other' category as 'their vital contributions must also be recognized'. Clearly all employees and their contributions are critical to enable an organization to meet its goals. And, it is true that often the more reliable and longer contributing employees may be the ones in critical roles and they may not necessarily be the highest performers.

However, the practice of 'spreading the goodies' and keeping the greatest number of employees happy has its consequences. By so doing, unintentionally we send out mixed signals about our recognition programs and the performance standards. The top-rated employees lose trust in the recognition process and even the performance reviews that they have undergone. The others who get recognized, have a misguided view of what is 'superlative performance' and often nurture unreal expectations from the organization. In the end, all this dents the overall credibility of the organization's processes around 'fairness'.

A better way would be to have separate recognition programs with different criteria, some to reward performance and some to reward other factors that are equally important (e.g., efforts or stretch undertaken by an employee under unusual circumstances). This addresses the need to recognize various categories of achievements and contributions made by employees. And of course the decision-making criteria should be open information to ensure transparency.

Another process to instill transparency and fairness in any recognition process is to build the right perspective. For instance, I am a great believer in team reviews. This needs to be managed skillfully to ensure no one is humiliated, and more so, publicly on account of low performance. However, it is a great platform to enable all team members to carefully assess their contribution and that of others. This leads to a healthy acknowledgement of and respect for the contributions of others, apart from a realistic understanding of where one stands relative to the team. Such a team would have relatively less 'surprises' in a recognition program as everyone is aware of the contributions and the value brought in by each team member.

This also highlights that any one single process cannot help build transparency and fairness, but the inter-linkages between processes is of the essence.

What is the role of communication in all this?

If there is something that makes a decisive difference in the matter of establishing organizational fairness, it is consistent and continuous communication. The organization may strictly follow the philosophy of fairness, but unless the employees experience it consistently, they may not believe it completely.

To drive home the message of fairness in processes and to understand what drives decisions around fairness, employee communication must be planned to cover the phases of planning, execution and finally closure of a program or an important announcement. This, in a way, is the process of 'taking the employee along' the road to fairness. In the communication plan, the employee experiences the journey, understands the pitfalls, the choices available to the leadership, the final decisions and the results thereof. This leads to stronger understanding of processes and leadership decisions, thereby strengthening trust.

For instance, while most organizations have well-laid-out policies on job rotation and promotion, it's always good if they talk about these openly with employees. I have seen organizations where these policies are publicly discussed at town hall meetings, where employees can voice their opinion and ask questions of the leadership. Openings must be advertised, processes scrupulously followed, updates regularly sent out, and finally the results shared publicly. Only by consistently backing up talk with action ('walk the talk'), can we hope to win employee trust and build a healthy organization culture.

Another dimension to consider is that when employees get to hear important news in its entirety, directly from the organization, it builds their trust and confidence. This transparency and the completeness of information provided helps kill unnecessary speculation and rumor. As an example, when an organization is being acquired, it is of utmost importance to keep two-way communication channels open. Providing employees timely updates and building a forum to address their concerns goes a long way to rally employee trust in leadership. In an otherwise highly stressful environment, it helps them stay focused on the business at hand.

Finally, each employee paints her/his portrait of organizational fairness based on how well she/he 'experiences' the organization. So irrespective of how great the overall communication programs are at the organization level, any employee's perspective is driven by individual experiences with the first line manager. Fairness must then translate to reflect in the basic face-to-face interactions between an employee and the manager and the team as a whole. This is really where the rubber hits the road, the moment of truth. If the employee experiences fairness in the team and with the first line manager, the organization is fair for her/him and all is well with the organization.

Reference:

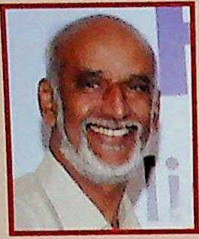
Building a Fair Workplace; Belwalkar Shibani; Limaye Aniruddha; Great Place to Work Institute; 2012: 1 - 11

The author would like to thank her friend Manish Sinha for his patient hearing while she was writing this article.

ORGANIZATIONAL FAIRNESS AND HR

S DEENADAYALAN

About the Author



DEEN, alias S. Deenadayalan, is the founder of CEO ("Centre for Excellence in Organization") based out of Bangalore and has offices in India, Malaysia, Indonesia and Singapore. He is also involved with varied NGO and Social entrepreneurship organization. His graduation is in Sociology from Annamalai University and post graduation in Social service Administration from Madras School of Social work resulted in his choosing HR Career. His work immersion started in Mettur Beardesll, NTTF, Fenner, Titan Watches, ITC and DuPont.

It was rather intriguing why Dr Pallab Bandyopadhyay asked me to write on this topic, Radical in me, who firmly believe "Front Line Produces the Bottom Line" and they are the receiver of unfair treatment, probably prompted me to accept, after lot of hesitation and delay

As, Dr Pallab who is a research freak rightly says, the notion of treating people fairly seems incredibly simple and intuitive. Yet we are all readily aware of multiple instances when we have been treated unfairly and the negative feelings that resulted from that unfair treatment.

It is actually a rather complex and multifaceted concept. In fact, how employees perceive a workplace and react to that perception can profoundly affect their physical and emotional health, and in turn, affect an organization's bottom line and more so when HR believes in "Bell Curve", Common Strokes for Every Folk, Communication Monologues in the talk shows sorry Open Houses and "water flow management" approach than leveraging inclusivity.

Mirror Before you

Let me hold the mirror and raise few questions which is more experiential than research based and the questions are

1. As Humans, are we not bonded to bias and prejudices? Professionalism, a farce or a detached reality!!!
2. Organizational biases result more in valuing views of branded people, branded consultants and higher levels of hierarchies
3. How much , with all Technological and Analytics support, there is consideration for the inner and sane voice of the "VOICELESS"
4. I KNOW ALL leadership, and sanity and contributions come from the branded, higher echelons of elitism and "Tokenism" when it comes to the people who know it better

5. Our understanding of "Ability and Inability" frames is based on superficial dialogues than emotive understanding of the Human
6. Our Blind spots and the challenge of Neuro genesis to change approach
7. Our Cultural plurality (race, gender, caste, disability, educational frames, experience baggage's, and leadership styles) is oxymoronic with Business competencies
8. Industrial age to Information age has also created technological lag between elites and experienced seniors in terms of age or titles vs technically savvy and competent juniors
9. Demographic clusters, the new Aspirational youths, commercialized education, placement road shows, mushrooming MBA Schools and reduced attention span adds to complexity of Fairness
10. Limitations in Understanding Organizational Fairness and viewing it as opposed to Business reasonability.

Demographics and Diversity

CEOs and HR Business partners play a critical role in ensuring their employees and organizations understand how these dynamics impact various aspects of the business. In fact, in today's workplace, organizational learning that does not include development of a deeper understanding of the diversity, organizational bias and aspirations of each of the stake holder are going to miss the ethical and business face of ORGANIZATIONAL FAIRNESS.

As I have been working with Front line in many organizations, and few NGOs, I would like to showcase few case studies – how biases can be both productively neutralized and if enabled people at the grass roots are more fair and innovative, while the higher elites are legalistic. Some of the examples are life changing moments of Organizational Fairness.

Communal, Cultural and Hierarchical Bias – few live Indian Case studies.

1. NGO working for Girl Child Empowerment
    1. Dalits have been oppressed, culturally subjugated, and politically marginalized. The principals of untouchability and "purity and pollution" dictate what Dalits are and are not allowed to do; where they are and are not allowed to live, go, or sit; who they can and cannot give water to, eat with, or marry; extending into the minutia of all aspects of daily life. More so Pig rearing people in Uttar Pradesh face bigger discrimination. Even among the marginalized, lower the perception of caste, lower are the people in the "Mind Hierarchy" and Poverty is not a binder.
    2. Another Religious minority group, who are also below the poverty line were studying together in a NGO in Uttar Pradesh. This internationally recognized NGO is working for emancipating and empowering Girl child in a region where exploitation, incest are order of the day.
    3. These students are in the age group of 6 to 18 and are day scholars where they get breakfast and lunch. This NGO runs half a day Vocational School and Half a day Academic Education. The Breakfast and lunch are prepared in turns by the students.
    4. On one fine day, children from a particular cluster, suffering from hunger, from the age group of 6 to 16, boycotted the food, as it was prepared by the people belonging to the pig rearing community.

   5. These kids who boycotted are not only below poverty line but bonded to discrimination thought at a very young age. In spite of hunger, they all boycotted breakfast and lunch as it was prepared by the students from the other cluster.
   6. The promoter was upset of the bias in view of his United States bringing. MAY BE otherwise he would have been Feudal as roots come from Feudal back ground of that village.
   7. However, the way he handled the "age-old" hatred and gulf is mind boggling lesson for HR Fraternity. That evening of boycott, he went to the village and met the parents of the kids. Parents were happy to meet the promoter and equally proud that they had asked their children to suffer hunger than eat food prepared by that particular community.
   8. The Promoter though taken aback was smart enough to deal the bias issue fairly and firmly – which otherwise would have become a communal flare.
   9. When he was offered tea, he took the cup of Tea and told the father of the girl, that he is going to throw it on the face of his wife – as it was prepared by "Meat Eater" and the promoter is not a Beef Meat Eater.
   10. That act of him, transformed every one in the village, sent strong signals, and from then on – these divides vanished in the school campus if not in the village cluster.

2. In a Pharma Industry, the Team from Plant manager to grass root employees have a common code of conduct co-created and those guide line were called HVAT Principles (Human Value Action Team"). The Product had a quality problem and the plant manager without verifying, signed the document. This is a major principle and CGMP violation in that Industry. This issue was brought to the HVAT- and the plant manager was punished. He had to wear a black badge for seven days as atonement.

3. In another Industry dealing with Transformers, again practicing empowered teams, the front line had the decision making powers post trained enablement, A lateral entrant, who joined as Plant Manager fully knowing the culture of empowerment and a pre joining induction and sensitization, could not digest the grass roots taking a call while Production pressures necessitated product passing. He hence, chose to overrule the decision of the team from a hierarchical perspective than date based perspective. He was subjected to HVAT and exited. Hats of to the Organizational fairness of the Management and conscious keeping role of HR.

4. In yet another interesting case in a FMCG, the grass root peers terminated their colleague for driving an autorikshaw unauthorized, outside the factory- and the HVAT took that action. Leadership had a legal challenge – but the grass root peers handled it and told that management, they will insulate against legal pressures and they stood by it.

5. In most of the Empowered team context of organizations, Leave management, some basic trouble shooting powers are with the grass roots and they handle it better and fairly than what would have otherwise happened, including using a greeting card approach to control absenteeism.

In all the above 5 cases of different organization, different cultures all well known, Egalitarianism was walk and not talk.

Business needs best talent which can be built, in the demographic revolution happening today, managing diversity more effectively can be better handled only through demonstrated organizational fairness. How can a business be successful when employees feel alienated and disengaged because many don't believe they are fully included? How can an organization meet the needs of its increasingly diverse customers?

Capability is not a challenge – but Cope-Ability is.

Fair or unfair treatments have perceptible variables and generational differences in perceptions. Hi Tech has replaced Hi-Touch. Hence "Tech Touch" creates its plusses, dissonance and introvertness. Best friends are now on Faceless face books, smart phones and even employee stroking happens through social media than the Pat medium.

Equally important is unlearning and reverse learning. At the age of 63, my experiential frame and dictionary values "Guru Parambara" Loyalty, Seniority and phased growth and my touch points are based on the cultural traits I inherited. But today's 23 year young kid sees my virtues as vices. His fair treatment perspectives are "Tech dependent"; we should not form any value judgment on either of the fair treatment principle. These differentials need to be internalized, valued and respected by either generation.

Can Business and Fair Treatment co-exist in the VUCA WORLD?

Leaders cannot view their fair treatment principles from their Cope-Ability Parameter. They need to be authentic, role modeling and demonstrate these traits genuinely.

a) Adapt quickly to changing business conditions.

b) Manage operational costs.

c) Learn new ways to make business competitive.

d) Develop and implement effective business plans.

e) Analyze and use hard data to promote business results.

f) Manage customer acquisition, retention and lifetime

And all the above, poses a very serious challenge on Fairness treatment. If everyone is signed on, or aligned to the shared purpose from a Customer angle, then it becomes authentic. Is it not unfair when organizations over hire for under performance and concurrently use flexi manning and ruthless exits, in the name of business exigencies? In this context Leaders should develop strategies, make and execute plans and decisions, organize others' work and guide efforts toward predicted results.

To succeed in this zone, leaders should: anticipate fairness challenges, build aspirationality in short term roles and create a "Learn and Grow" model. That inclusiveness enhances authenticity and business fairness is internalized from the shoes of the customers. Hence an inclusive reconciliation to unfair business or customer expectations become fair and stake holders value it and buy into that unfair reality.

Newer Perspective to fairness, which I "unlearned" in late nineties.

As part of my training, in DuPont, I was taken around a plant in Maitland in Canada and I was highly charged, when the person Mr Milt May, who drove me from Wilmington Delaware to Maitland was a Vice President. In a multinational context, that title was very high in the hierarchy.

1. A welcome board to yours faithfully at the Plant Entrance in neon sign made me more elated.
2. A week stay guided by a team of seven people, there for my study enhanced my conceptual depth of Self Managed teams.
3. My learning review with the Vice President, post seven days, was very intriguing. He questioned in depth my understanding and then asked an innocuous question? Deen – You must be unhappy, ***being from India***.
4. To me that question was a bolt from the blue- and could not figure out the why of that question? My response to that hierarchical leader, who was four levels above me in those days, obviously "I am extremely happy".
5. He made my life complicated by reinforcing the same question of unhappiness. I could not figure out why that question, and diplomatically asked him, why that question.
6. He said the seven people who gave the plant insights to me were all workmen.
7. Pat came my reply, yes sir, you drove me all the way, and at least, you should have sent few managers with me for the study.
8. With all American sarcasm, he said, "Yes I made a stupid mistake" and paused for few moments... Then he said, I could have asked few managers to be with you and paused again. Then very ignorantly asked me, what the difference it would have made between the seven workmen vs managers and asked me to shoot questions on what they have not answered he or his managers would need to further clarify.
9. That was the moment of truth and my unlearning. These seven so called workmen knew the customers, knew all operational challenges, and had explained every question I had including "Loss of over time" because of introduction of self managed teams.
10. To them, the most important factor was their being valued to take a visitor around, a customer around, speak about the bigger business picture and seek guidance only when needed and that they valued as Organizational Fairness.

Miltmay, who I consider as my Guru, went on to add, "Even if my chairman comes or any customers come, it is these employees who make the product... take them around and explain all processes. If these employees make a mistake, my job as VP job is at stake".

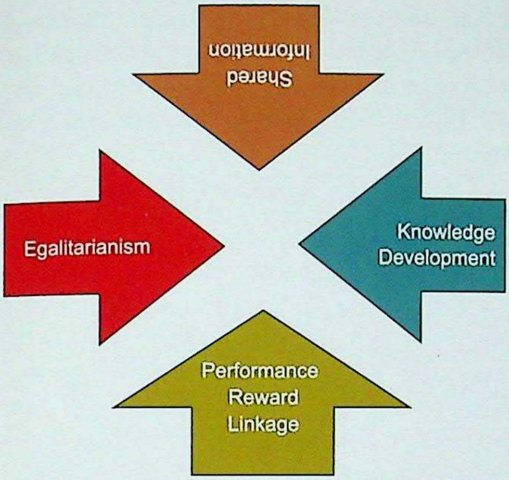
The definition of fair treatment-changed totally for me.

It is not in the respect, it is not in the biases, and it is not in the gender, unfairness happens but in the non-inclusion of them in the bigger picture, unfairness happens, and distances develop.

And as an Indian, used to the strong hierarchical protocols, this made a huge difference. Further he said, the values of fairness treatment, he learnt from Oriental and Indian Culture and through the Gurukula process. Yes, remembered the Mahabharata.

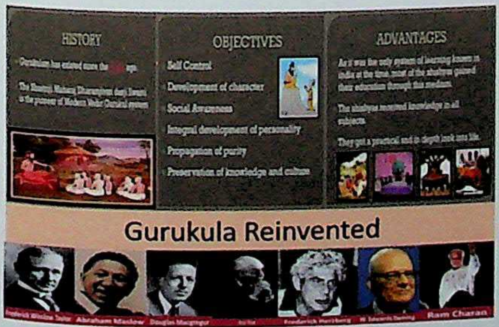
What is fairnetss from a Business perspective?

Every member of the organization should have shared purpose with authenticity on the following four Principles.



Post my unlearning in DuPont I deep dived into our past. If we realize that the learning organization contributes to the highest level of efficiency and leverages the greatest impact from a diverse workplace, through the process of Fairness and INCLUSIVE TREATMENT. This would mean, valuing, acknowledging and including others from all backgrounds. Anti-bias work has been synonymous with creating more effective, inclusive leaders for decades. Further, for years many people have accepted the assumption that if people in positions of power and authority can learn not to be biased, they will be able to treat everyone with a greater sense of equity and inclusion. Yet, even though most leaders see the importance of a lack of bias, we still struggle to create truly inclusive and culturally competent organizations as most of us are naturally Feudal.

Reinvent Gurukula



HISTORY

OBJECTIVES

- Self Control
- Development of character
- Social Awareness
- Integral development of personality
- Propagation of purity
- Preservation of knowledge and culture

ADVANTAGES

They got a practical and in depth look into life.

Gurukula Reinvented

Abraham Maslow
Douglas Macgregor
Frederick Herzberg
Ram Charan

It is not the Container but Content – that makes the difference

Fairness is not in cosmetic demonstration through Open offices but in Open Minds. In Extrinsic show casing we do outstandingly well but it is in the authentic intrinsic fairness, we falter. Celebrating family day, birth day celebrations are all event management or outbound learning, fun events, annual picnics are part of window dressing.

The Arvind Eye Hospital model where everyone works for "Eliminating Need Less Blindness" and this model has sustained over five decades. It is the greatest example of Organizational fairness. In fact, the Doctors don't get paid more but they perform better than an average Indian Ophthalmologist – yes it is mind boggling ten times more. Rich and Poor get treated and treatment – quality does not differ but the rich get better container in terms of Air-conditioned rooms and gets the same content as the Poor. What better Organizational fairness can there be, when treating millions of people in a complex village dynamics of India.

If Leaders should connect with their people on the human level, shared the purpose of business, he earns commitment, inspires efforts and improves communication. Therefore Business leaders and HR partners should

a) Learn to give different strokes for different folks and not common strokes for every folk. This calls for ability to understand the EQ of each stake holder whom he manages and yes it is a tall task to understand and respond appropriately.

b) Paint and share the bigger picture of a positive future or tough future.

c) Business sans work-life balance is counterproductive and find ways and means of creating fairness around this burning disconnect.

d) Connect every member and ensure they understand and inspire customers' trust.

e) Address aspirationality either in house or outside but not thorough the bell curve.

f) Facilitate Collaboration Culture for Business adaption in VUCA context.

g) Co-create solutions of real-world problems by thinking clearly and engaging others.

Gurukula approach to fairness treatment, has helped me in last 15 years in handling Business challenges and People Aspirations and it is like raiding a tiger, when in my early part of career, it was the Command–Obedience at the cost of self respect created business value and that is definitely not the fair process of treatment – very late learning.

Organizational Fairness and HR.

It is a challenge but not insurmountable. However I see more and more HR Fraternity in the name of flexibility adopting "Exploitative Labour Management" than "Learning and Growing Management" and they are more loyal than the master. We have been practicing this and handholding in few leading organizations like the DR Reddys, RPG Group, some of the TVS Companies and even in a tough unionized environment. Even as practicing HR Manager in Titan, ITC or DuPont, I chose an untraveled path, not appreciated by many.

Yes legacy, hierarchical culture, feudal mindsets, VUCA Environment in business is the challenges for championing the Organizational fairness game. Even business speaks Ethics, Values, CGMP, Lean, ISO 9000 and what not while leaders have process short cuts in the name of cost, number pressure and HR is many a times a partner to the Crime. Duality in HR is very vulnerable and they tend to pamper the top and tamper the bottom.

Fairness Treatment is an "Impossibility Blindness" of HR and moving to world of possibility calls for paradigm shit.

To quote Mr G.V. Prasad, Vice Chairman of Dr Reddy Labs, "We embarked on Self Managed Teams based on our core Value "Respect for People". He prides that many grass root employees have laddered up to the managerial cadre through the four pillar approach of Egalitarianism, Knowledge Development, Shared Information and Performance and Reward Language.

Fair treatment does not go against firmness and toughness which the business demands but the process of inclusivity of the context is where HR struggles in Business Partnering.

DECODING DHARMA

SMITHA MURTHY

About the Author

Smitha Murthy is the Head of Organization Development for Infosys BPO. She has over 18 years of industry experience, primarily in the areas of Leadership and Organization Development for the larger Infosys Group.

Smitha is a an Engineering graduate in Computer Science from VJTI Mumbai and holds a Diploma in Business Management. She is a Global Professional in HR (GPHR) and certified on psychometric instruments like MBTI, DISC and Belbin. She is also a certified CII HR Excellence Model assessor, trained on the Malcolm Baldrige framework and is familiar with the PCMM.

Heard on a battlefield, many thousands of years ago: *"How can I kill my own family, Krishna? What good is any kingdom or riches when it is at the cost of the lives of so many of my beloved ones?!"*. This is probably one of the most discussed moral dilemmas across centuries: the impassioned plea of Arjuna, the warrior prince in the Mahabharata, as he realizes the consequences of the war that he is about to embark on.

This conflict still echoes in different forms, in different places and with different hues for the HR professional today: *"How can I fire these employees, Sir, knowing fully well that some of these are good people and are in financial trouble?"*, *"Why do we expect managers to rank order the performance of people, when we know that it is not possible to compare apples and oranges?"*, *"Why is it not possible to give this fantastic performer an out-of-the-way promotion and out-of-the-wage-range hike when you know that she can easily get this in the market?"*.

Leveraging the ancient form of ethics: Dharma

In the original story, Arjuna works through his conflict in the epic dialogue with Krishna, his mentor and friend. The concept of '**Dharma**' is a strong thread that runs through the conversation, helping Arjuna discern what his duty really is. So, we now embark on a journey of applying the ancient principles of ethics, of Dharma to the modern day workplaces to assist the HR fraternity in making these tough decisions.

Defining Dharma

For that, we must first create a common understanding of the term Dharma. Shall we examine our thought process with a quick quiz? Let's begin: Which of the following statements about Dharma are true?

a) That which elevates and sustains is Dharma

b) The definition for Dharma for each person can vary; it is specific to the circumstances

c) There are common minimum principles of Dharma that work in all situations

d) Deviations of practice in emergency situations are acceptable under Dharma

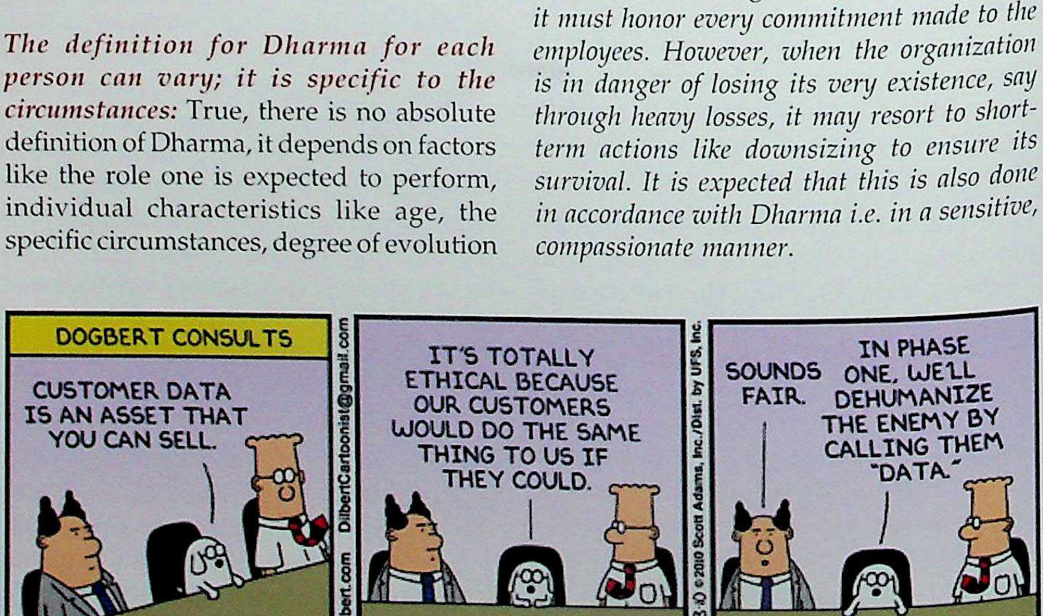
If you said all are true, you are absolutely right! Great going.

That which elevates and sustains is Dharma: True, it is meant to uphold the social order and is hinged on the duties that are required to be done. It typically deals with ethics, customs and laws. *Example: if a corporation pays bribes to get things done faster or to gain an unfair advantage, it is considered to be against Dharma.* A quick check of Dharma would be the biblical "Do unto others as you would have them do unto you". Any action that one finds acceptable as recipient would most likely be also as per Dharma.With all due respect to Scott Adams and Dilbert, this would not be Dharma!

The definition for Dharma for each person can vary; it is specific to the circumstances: True, there is no absolute definition of Dharma, it depends on factors like the role one is expected to perform, individual characteristics like age, the specific circumstances, degree of evolution and abilities etc. *Example: the Dharma of a Finance function is to maintain costs at sustainable levels, while the Dharma of the Marketing function is to increase the visibility of the organization in the best possible manner.*

There are common minimum principles of Dharma that work in all situations: While seeming contradictory to the previous point, this is also true. Principles of Samanya Dharma or Universal Dharma include discrimination between right and wrong, truthfulness, integrity, contentment, forgiveness, self-restraint, non-stealing, purity, control of senses and absence of anger among others. *Example: as per Dharma, an organization should not share false information about its financial performance, its assets etc. In its drive to cut costs, it must not cheat employees of what is rightly due to them.*

Deviations of practice in emergency situations are acceptable under Dharma: and yes, this is true too! There are exceptions in extenuating circumstances that can be exercised while keeping the principles intact. *Example: In normal times, when the organization is doing well, it must honor every commitment made to the employees. However, when the organization is in danger of losing its very existence, say through heavy losses, it may resort to short-term actions like downsizing to ensure its survival. It is expected that this is also done in accordance with Dharma i.e. in a sensitive, compassionate manner.*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SOUNDS FAIR.
IN PHASE ONE, WE'LL DEHUMANIZE THE ENEMY BY CALLING THEM "DATA."

With that background, let us now discuss how the HR professional could adapt this at the workplace.

Shake up and Settle Down

As a HR professional, it is vitally important to question and clarify one's Dharma i.e. separate the role and the person and check for overlap of values.

Let me illustrate with a personal example: Some years ago, when I was heading the Performance Management function, I had discomfort in mentally owning the normal curve distribution governance. The logic of it made intellectual sense: there are limited rewards and we need a way to distribute them equitably and fairly. However, I had my own views on shortcomings of relative ranking, the practical gaps in accurate calibration of performance across people and the emotional impact on people. Also it also didn't seem like a 'nice' thing to do and I wanted to be a nice person! This created an emotional block and made it difficult for me to play some parts of my role. Sounds familiar to some of us?

Sensing my internal conflict, the then HR Head offered me a perspective that shook me up further – "Who makes and owns your decisions, is it Smitha or is it the Head of the Performance Management function? Remember, the organization has given you certain responsibilities and powers because it trusts that you will think and behave like the Head".

So the next question in my mind was – "What if there is a fundamental conflict of values between the Performance Management Head role and me"? I spent some weekends ruminating, reviewing and actually breaking it down into transactions and checking overlap of values. After many agonizing hours of introspection, I came to a fairly surprising realization: there was no value conflict! So where then did my discomfort stem from? The difference was in the way the value manifested as a belief.

Here is an illustration of how the same value could manifest as completely different beliefs, both being valid depending on which perspective you are looking at it from.

Value	Belief from a macro perspective	Belief from a micro perspective
Fairness	"We must have a way to compare performance across different employees so that the reward can be commensurate with the value to the organization for this performance cycle"	"I must get rewarded higher if I did better than I did last time"
Transparency	"Performance information can be shared as long as it does not give away sensitive information about other people and compromise committed confidentiality"	"I must be told the detailed reason behind every decision taken regarding performance"

This exercise helped me clarify my Dharma. And no, it wasn't a magic pill that did away with all of my problems, but it did do the following:

- Helped me clarify my Dharma in this specific role; my first responsibility is to the organization since it pays me to do achieve certain objectives – in this case, the role requires me to take a macro-view first and then the micro-view.
- Gave me a mental model to take decisions on a day-to-day basis and to allow exceptions in "emergency situations"

- Enabled me to check whether any fundamental values or aspects of Universal Dharma were being violated as I performed my role: I wasn't going to give up those!
- Allowed me to see other perspectives of Dharma without getting bothered about "why do people not get it and see it my way"
- And on a lighter note, took the pressure off me to win popularity contests with employees!

Shall we try another example? Here is the scenario: a high-performing individual expects to be paid about 60% more than what she is getting right now because that's what she can get in the market. If you were the C&B Head, what would be your Dharma?

Takeaway Tip: Consider doing a Dharma clarification exercise either individually or in a group to arrive at what the Dharma of your role requires. What are some non-negotiables? What are some other perspectives to be considered and who will own them?

Why the concept and practice of Dharma is powerful for the HR professional?

Applying the regular code of conduct norms helps when the situation is fairly straightforward. Examples:

a) We really want this bright candidate to join us – he wants to come in only in a managerial role. The position we have on offer is a semi-supervisory role. Should we tell him the truth? Of course!

b) We have committed to pay the employee INR X as her salary. Can we pay her a lower salary suddenly quoting some additional deductions? Of course not!

However, most situations that present themselves to HR professionals are never simple or uni-dimensional. They require us to traverse the gray area between black and white and do what's right for many stakeholders – the organization, the managers, the employees and others.

The definition and constant practice of principles derived from Dharma could help us make these tough calls with a clear conscience.

To go back to the original story: After the great war in Mahabharata and all the Kaurava princes were killed, Krishna went to see Gandhari, the Queen Mother of the Kauravas. In grief, she demanded an explanation from him of why he supported decisions and actions that caused the death of her beloved ones. Why couldn't he have been neutral?

Krishna responded, the story goes, by saying that he was only carrying out her wishes. At the outset of the battle, Gandhari had blessed her sons with the words, "May Dharma win"!

MYTHS AND REALITIES OF DEMYSTIFYING ORGANIZATIONAL FAIRNESS

NAYANA PRABHU

About the Author

Nayana Prabhu has design, development, delivery and facilitation interest in leadership development, team dynamics, personal growth and managerial development.

In her role at Corporate HRD at WIPRO Ltd. She is responsible for the Women in Leadership Initiative. Her experience spans across all functions of human resource development, her area of expertise is in enabling people managers to become Talent Champions and build effective, successful and powerful teams. Prior to joining WIPRO, Nayana has worked with EXL Service Ltd. Thermax Ltd. and erstwhile Satyam.

When I was a teenager I used to feel life was not fair, when I became a parent and encountered the teen years of my children they also felt the same. However as adult professionals do perspectives about fairness get redefined, influenced, changed and how do these play out in organizations. The terms 'justice' and 'fairness' are often interchangeably used in contexts of 'conflict'. Dennis the Menace said it very well he once calls out to his parents and says 'it's just not fair, if you have brought me up well, how do I end up spending so much time in the corner?!!"

In fact it's because of conflicting 'context's' that Organization Fairness requires a closer look and much deliberation. My first brush with the subject was when I had to fire an employee.

Here's the story, it was a little after 9/11 in the US, one of the senior managers, who headed up a project, left the client site to take his wife back home to India. She was pregnant with their first child; they had had a misfortune before and had lost one child already. She was missing home, she was in a foreign land and 9/11 took place. She absolutely refused to stay on in the US, winter months were beginning and she had to go home, in the condition that she was in, he had to take her back. So he booked the first flight available and got her home. Employees had been asked not to leave the client site - he did! He was otherwise a very responsible, highly rated employee, he had asked for permission but he was not granted permission, from where he stood, he just did not have any other option. The system decided to make 'an example' of him. I was called in by the center head and told to fire the empoyee, I was the HR head for the center, none of my suggestions, about giving a formal written warning, humanity, first time offender, consider no raise for that year, worked. To add insult to injury this center head told me not to worry as he had plans on how to bring this employee back! His word was the last word; no one ever did or said anything against him. If you take a rational and facts based look at what had happened, firing him may seem right. HOWEVER!

80% of the time policies help us take quick decisions but for the other 20% one needs discretion. When policy is applied without context 'fairness' gets compromised. Till date I think, my stand was more correct and we should have done the right thing, thus winning the employee's faith and trust in the organization. Does punishment really change behavior? How else can we handle retribution? Was the decision unbiased, consistent and reliable? Questions all in the realm of organization fairness!

All of us want to be treated fairly and expect that the world around us operates within the framework of fair rules. Justice, in a broad sense, is defined as action in accordance with the requirements of some law. Justice is described as, Distributive, Procedural, Restorative and Retributive. It is also believed that justice is higher than a society's legal system because it stems out of rules common to all humanity that emerged out of a consensus. Behavioral psychologist's, John Stacey Adam's Equity Theory of motivation has strongly influenced the world of Organizational Justice. The Equity Theory states that pay and condition alone do not determine motivation. Adams described these as inputs and outcomes and categorized employment benefits and rewards as outputs and an employee's work effort as inputs. People usually compare themselves to those around them and that's where inputs and outcomes have to be carefully observed. How often have you been happy about your own rewards and progressions till you meet a colleague/classmate who seems to have done better than you vis a vis outcomes and your joy and happiness in your own accomplishment steadily reduced? The theory of equity motivation played out here.

The Chartered Institute of Personnel and Development (UK) in a 2013 survey states the top five triggers of unfairness as:

- Pay (freeze, senior management bonuses, differences in pay)
- Workload (distribution)
- Bullying/victimization/harassment
- Favoritism
- Forced redundancy/redundancy procedures

Interestingly Promotion Decisions come in on the sixth position!

Equity, equality and need are principles central to procedural, retributive, restorative and interactional justice foundational to Organizational Fairness. The number of women in senior leadership roles is very low, in spite of woman affirmation laws and organizational beliefs the woman leadership pipeline is very sparse. Are there fair procedures in place, are decisions taken unbiased and impartially? Why then do women drop out of organizations and the work place? Why do we lose so much of talent never to be brought back into the corporate world again? Here are some facts — if a woman is pregnant she does not get challenging projects because she may not be able to bear the workload; no one asks her they just go ahead and take the decision. Once back to work, after maternity leave, again she is not given challenging assignments. The reason this time is, she may not be able to give full focus and attention, she now has a small child to look after at home. All this is under the guise of being considered caring and humane. Well when you do not get challenging assignments, or juicy work to do, your performance at the most gets rated average. Average ratings get followed by average pay and increments. This then becomes a vicious cycle and women are more unequal than equal, oftentimes paid less, working way beneath their potential. Over a period of time motivation to fight the system drops and women drop out. That is why the woman leadership pipeline is never adequate. For this to improve we need decisions to be taken without a bias, procedures to be set up to aid decision making and policies to be created to affirm woman's contribution and growth and many organizations are doing that now.

In some organizations one has to get into the office at an 'x' time and if they do not swipe in at the given time or end up coming late for more than three times a month they lose half a day's pay. However in many of the same organizations employees have to work late, with inadequate resources and support and make ends meet while doing an excellent job. The policies are not fair because they flout the principles of equity-fair outcome for fair input. If I lose half a day for coming late thrice; which in fact does not add up to half a day? I have had to work more than 10 additional hours in the same week; should I really lose that half day? Will I think it's fair?

A very oft repeated unfair practice: when a person is negotiating entry into an organization mis-representing policies, not stating the full truth. Many employees have been given lower positions, parity check not done and when the individual joins – he/she is shocked to see the level at which the position has been pegged. How does this happen – the talent acquisition team has its targets and has to get positions closed within a given budget. Many large process based organization lose employee faith by doing this. Under restorative justice this needs to be set right. The employee may feel betrayed and things have to be put back into order.

Very recently I came across yet another unfair event; this person had been made an offer on the basis of which she resigned from her current employment. A few days later she gets a call and the new employer tells her, that her offer is being pulled back because they had got bad references. She had not been asked for references, as is the fair practice. Well the employer may have done an informal reference check; when should this be done, before making the offer or after? What do good HR practices say? To top it all, the employer refuses to give any facts so there indeed is no way this lady can demand retribution, can she?

In day to day interactions a manager can be perceived unfair many a times. Events like, employee being criticized in front of other colleagues, discussing an employee's behavior with others who have no stake in the situation, quoting what someone said or did out of context, giving opinions without understanding the context, are cases in point. All these and more can be career limiting moves, for the said employee, for no fault of theirs.

In the current, scenario the perception of being treated unfairly can spread faster and often go viral. Managers lead, multi-location, multi-cultural, multi-generation, teams. These teams handle complex as well as simple projects and assignments. Being fair and being perceived fair has become tougher than ever and more critical. A very critical, crucial and simple reason for upholding the principles' of organizational fairness is employer brand. Research shows that employees who perceive unfair treatment are more likely to:

- Report higher job dissatisfaction
- Be less than productive
- Feed the rumor grapevine
- Not refer the organization to others
- Treat customers inconsequentially

What therefore are the implications for HR? From the day an individual starts even thinking of getting a job in an organization to the day the individual decides to move on there are various touch points and opportunities for HR to build a robust and fair employee experience.

Talent Acquisition

Build the Talent Acquisition team with highly engaged employees. Train them on best recruitment practices. Many organizations build their Talent Acquisition teams with employees from a sales background their orientation then is to make a sale, the product here is the organization. If that is the path one is going on then, borrow some more from sales practices, train them to be 'trusted advisors'. Taking this train of thought to its rightful conclusion the incumbent employee is your 'customer'.

Select your Talent Acquisition team with an eye for integrity and fair practice.

From time to time audit your TA policies, build in strong practices for the most basic transactions: reference checks, background checks and the more high end transactions like quality of hire, offer to joining ratios etc., This is one function of your organization that owns huge quantities of data, mine that data, look for patterns and fix those that are going to affect your employer brand, because of perceived unfairness. An interview not handled well, bias experienced during the time of interview; interview panelists not following through on the company's code of conduct are harmful to the organizations' employer brand.

On-boarding

Many organizations outsource this process, this is the first day in the life of your employee, this is where she starts perceiving the organization in its actual form. Make this a never to be forgotten experience in its most positive sense. Let the new employee experience your organizations values and in a manner learn the basics that are going to help the employee perceive the organization as fair and just. A great practice that I have experienced; conduct a panel discussion at the induction; the session "Your joining experience". New employees are encouraged to speak their mind about their experience. The panel had senior HR leaders representing various businesses – the idea was to listen to the employees and fix the issue right away. The issues were documented and reviewed leading very often to creating new practices and changes in the policies that were indeed detrimental to a new employee experience. This organization no doubt had a strong employer brand.

People Management

Treating people fairly is most critical to being a great people manager. Most organizations invest in learning and development; often these are stand alone events dependent on robust designs to sustain learning. Most managers go through many sessions focused on people management. However if these programmes are not given critical thought, taken for granted, managers end up making small and big mistakes. These in turn lead to them being perceived as unfair which further leads to affecting the employer brand. Managers should learn and practice giving 'feedback' and having conversations around employee development. Most organizational unfairness stems from perceptions about setting goals; goals are dictated not debated and accepted, review and feedback about performance again, is one way, with very little conversational content. Developmental feedback is almost absent and these moments are where unfair perceptions can and do take seed. 360 degree feedback a very important practice can completely derail in the hands of an uneducated employee base; leading to unfair and insensitive decisions. Build robust practices around these organizational processes.

Decision Making

Employees usually hear the final decision the path to that decision is not shared or understood. Sharing that clearly and transparently seems the most simple and intuitive thing to do. However this does not happen. Where this is done you will find an engaged employee and an employee who will perceive the organization as fair.

Managing Change

Have a well defined change management process and socialize the process; in the dynamic world that business faces today; employees should be encouraged to be change agile and a high level of change preparedness has to be expected from them. Change is difficult for most of us and fairness is a perception. An employee's state of mind can and does affect his/her perceiving unfairness. For example an employee suffering high levels of anxiety due to changes happening in the organization will perceive more unfairness; statements can be misunderstood, decisions perceived as biased and communication inadequate, leading to the derailing of the change process. Many M&A transitions fail purely because of perceived Organizational Unfairness.

In Conclusion

People like to be treated fairly and if they think that things are unfairly balanced against them they will give less and want more. However if they think that they are indeed being treated fairly the reverse is possible. If fairness is well integrated in the values of the organization and values are experienced by employees the employer brand will be positively impacted. Speedily dealing with and acting on unfair practices will ensure engaged employees. Many organizations deal well with issues and challenges of unfairness, however fail to communicate. Erring on the side of over communication is better than holding back. People are smarter than we give them credit for; let them experience a fair organization and unleash the potential of your organization; Create a compelling employer brand.

BOOK REVIEWS

1. ARE YOU READY FOR THE CORNER OFFICE?

ISBN 13 : Paperback ISBN: 9788132113720

ISBN : EBook 978935150128

Editors : Insights from 25 executive coaching experiences
Pradipta K. Mohapatra & Ganesh Chella

Publisher : Sage Publications

Pradipta K. Mohapatra
Ganesh Chella
Are you ready for the corner office?
Insights from 25 executive coaching experiences
SAGE

Organisations, in recent years, have begun to invest their time and energy in leader development. Empirical evidence suggests that the 70:20:10 rule governs the development of leaders. 70% of development takes place through on-the-job experiences such as working on tasks and problems, turnarounds, job rotations, transitions, mergers and acquisitions, and cross-cultural exposure; 20% through developmental feedback and coaching support, and the remaining 10% through executive education and training. Every type of experience on the job contains specific leadership lessons for leaders.

The book, under review – "Are you ready for the corner office"? – is a unique anthology of 25 real life cases about the distinct and personal developmental journey of leaders towards the corner office. These cases bring to light the complex situations of leader development, and are related to three broad developmental contexts. The book is laced with experiential insights which are meant to inspire many aspiring leaders who are on a similar mission.

The authors and case contributors tell us how these leaders sought their help to identify potential career derailers, how they addressed these pitfalls, and how they finally emerged successfully. All these leaders engaged in a trust based developmental relationship with an Executive Coach who genuinely respected them, actively listened to them, empathetically understood them, asked the right questions to help them gain new perspectives, challenged them to see their inner and outer reality differently, supported them in finding those answers on their own and finally empowered them in managing their problems and developing opportunities.

The book provides rich insights into how these leaders found answers to critical questions like 'am I ready for it', 'how do I prepare to get there', 'how do I learn to succeed once I get there' and 'how can I enjoy the journey while I am at it'. These twenty five leadership insights collectively cover the three broad developmental contexts - developing competencies, making transitions and addressing executive and entrepreneurial agendas.

The book contains a diverse collection of cases in which coaches help leaders to hone their new competencies to address the demands of their current roles, or prepare themselves for future roles in a national or global context. The cases of John and Sunny are very absorbing and the underlying messages are even more compelling. They learnt, with the help of their coaches, to discover their emotional sides, as well to listen with empathy.

Most leaders tend to have flaws that can be coped with, but some have one or two flaws that that can turn potentially fatal unless they become aware of it in time, and invest in curing it. The story of Rajan is all about how he overcame his fatal flaw. Some leaders seem to get into a trough of deflated self-esteem despite their accomplishments, and the case of Sahil is worth reading as he reclaimed his self-esteem with the help of a coach.

Events don't make leaders feel miserable but the view they take to these situations, and the irrational thoughts that get triggered in these situations are what make them feel miserable. The case of Vicky bears ample testimony to this fact. He challenged and disputed the self-limiting beliefs that were holding him back, and finally learnt to replace them with self-enhancing beliefs with some help from his coach.

The story of Sandhya is a classic example of how one can refuse to allow oneself to become a victim of circumstances. The case explains how she achieved this with timely support from her empathetic coach. The case of Naren is equally interesting, as he works hard to enhance his executive presence with the help of his coach. The case of Sridhar is revealing, as he invests time and effort to overcome his blind spots and bring discipline to his leadership by learning the art of delegation. The case of Raghavan throws light on how he learnt to reclaim his space in his organisational eco-system with coaching assistance.

There is currently a huge need for Indian executives to scale up to global benchmarks, and leaders are required to acquire and leverage the power of contextual intelligence. The case of Vikram deals with this phenomenon, and shows how he successfully made it to the President's "corner" office. The case of Ramila is all about how she invested her time in developing a world view through innovation, with some support at critical moments from her coach.

Transitions are critical moments in the lives of business leaders. In fact, moving into a new role, a new organisation, a new business, a new culture, or even a new functional area or a new geography in an existing organisation, appear to be significant challenges for emerging leaders. While transitions offer a chance to start afresh and make the changes needed to succeed in a new setting, they also place leaders in a position of acute vulnerability. Missteps made during the crucial first few months in a new role can jeopardize the success of these leaders. All these call for significant adjustment, unlearning and learning, and these are moments when leaders can benefit greatly from coaching support.

Many long serving leaders tend to be oblivious to the fact that their organisations have grown and moved on from what they used to be, and now have vastly different expectations from their employees. In order to remain relevant, leaders are expected to accept the new reality and demonstrate new behaviour. The case of Ramaswamy throws light on how he succeeded in doing so by working closely with his coach. Executives should learn to exert influence over key stake-holders, as not all crucial jobs at senior levels carry position-based authority. Anand, with the support of his coach, learnt to enhance his influence and managed his own transition with ease. More often than not, executives need support from multiple sources in order to make effective transitions and the Vipin's case offers rich insights into how coaching, combined with mentoring, could help him facilitate the radical career shift.

Entrepreneurs tend to have a very different set of conflicts to deal with, and decisions to make. This is one area where they are increasingly looking up to coaches for help. Karthik, a young entrepreneur, was helped by his coach to take the tough decision of leaving his partner and getting ready to occupy a bigger corner office. The case of MK is very inspiring, as she decided to believe in herself in order to scale up the business, without her father's help. The case of Mayur deals with the power of public accountability and his is a story of how he solicited the support of his eco-system to reinforce his new behaviours with the help of his coach. The appreciation of supervising managers will always have a telling effect on executives and the case of Dheeraj is a perfect example of how the Pygmalion effect plays out in real life.

The preamble by five eminent coaches preceding each of these themes adds to the richness of insights in the book. The authors conclude the book with an overview of typical coaching processes and some of the frequently used terms related to coaching.

This book wins you over with its simplicity and is written in an anecdotal and eminently readable style. The authors' and case contributors' genuine desire to help the leaders they were associated with comes through clearly as you turn the pages of this compelling read. They deserve appreciation for this seminal work.

Whether you are an aspiring leader or an HR leader, or even a practising coach, this is one book you should be reading, and one book that should be a part of your personal library.

Savour this classic at your pace!

Reviewed by:

Dr PVR Murthy
CEO, Exclusive Search Recruitment Consultants

ACKNOWLEDGEMENTS

Our heartfelt thanks to all the contributors of articles, who have taken time off from their busy schedules out of their passionate interest in the field of Organizational Fairness and HR.

We acknowledge the excellent contribution of the Guest Editor - Dr. Pallab Bandyopadhyay, Leadership Architect & Career Coach, HR PLUS, for conceptualizing the entire issue and inspiring all busy experts in the field to share their thoughts.

We acknowledge the support from Sunathy of Exclusive Search for passionately working with me.

– Dr. PVR Murthy, Managing Editor
(On behalf of the Editorial Team)

ABOUT THE JOURNAL

The National HRD Network publishes a semi-academic quarterly journal where in each issue is dedicated to a theme.

The journal publishes primarily three categories of articles :

- Conceptual and research based
- Contributions from thought leaders including a limited number of reprints with due permission
- Organizational experiences in HR interventions/mechanisms.

About this issue :

The current issue is on the theme of 'Organizational Fairness and HR'. This issue discusses in detail about the impact of fairness in organizations especially in the context of employee retention, productivity and other employee discretionary behaviours.

Editorial Board Members :

Dr. P.V.R. Murthy, Managing Editor is a product of I.I.T., Kharagpur and IIM, Calcutta with close to thirty years experience in H.R. field. He founded and runs an executive search firm Exclusive Search Recruitment Consultants. He is associated with a number of academic institutions. He is trained in TQM in Japan and in human processes from ISABS and NTL, U.S.A. He is the Past National Secretary of National HRD Network.

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NHRD firmly believes in and respects IPR and we appeal to the contributors and readers to strictly honour the same.

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National HRD Network

The National HRD Network, established in 1985, is an association of professionals committed to promoting the HRD movement in India and enhancing the capability of human resource professionals, enabling them to make an impactful contribution in enhancing competitiveness and creating value for society. Towards this end, the National HRD Network is committed to the development of human resources through education, training, research and experience sharing. The network is managed by HR professionals in an honorary capacity, stemming from their interest in contributing to the HR profession.

The underlying philosophy of the NHRDN is that every human being has the potential for remarkable achievement. HRD is a process by which employees in organizations are enabled to:

- acquire capabilities to perform various tasks associated with their present and future roles;
- develop their inner potential for self and organizational growth;
- develop an organizational culture where networking relationships, teamwork and collaboration among different units is strong, contributing to organizational growth and individual well-being.

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